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Germany Probes Depths Of Anti-Foreigner Passion

New Confessions Reveal Plot in '92 Arson

By William Drozdiak
Washington Post Service

DOLGENBRODT, Germany — When fire engulfed a resort complex here four years ago that had been designated as housing for Third World asylum-seekers, many people assumed it was another case of xenophobic hatred perpetrated by skinheads or right-wing radicals.

While deploring this and other acts committed during a spate of violence against foreigners in 1992 and 1993, German commentators minimized the impact by saying that the crimes had been carried out by fringe elements of society. As if to underscore the point, a young neo-Nazi named Silvio Jackowski was arrested and charged with setting the fire here in Dolgenbrodt.

But Mr. Jackowski's eventual confession, after years of legal maneuvers, has unmasked a wider conspiracy of silence that has shocked the country, prompting fresh examination of the depth of anti-foreigner sentiment in Germany.

Within the past week, several prominent citizens of this lakeside village about 50 kilometers south of Berlin have stepped forward to admit having provided "financial and logistical support" to Mr. Jackowski and a skinhead accomplice. The villagers paid the arsonists $7,300 and supplied them with bottles filled with heating oil and gasoline to set the resort ablaze.

In addition, prosecutors are looking into whether a Berlin real-estate agency that wanted to purchase the resort complex and convert it into a posh rehabilitation clinic — before its plans were overruled by a Brandenburg state decision to establish the foreigners' residence — may have supported the arson attack.

The case has provided a chilling reminder that otherwise respectable burghers who applauded the burning of immigrant residences in such towns as Hoyerswerda, Moelln and Solingen during the wave of firebombings may not be an isolated minority.

Rather than shame, the villagers of Dolgenbrodt have expressed anger and dismay over state authorities who, as they describe it, made a stupid decision to place foreigners in their midst, thereby compelling them to take drastic measures to protect their community from an invasion of Third World refugees.

"Look, we are a small village of 300 inhabitants that lives off tourists visiting our lake," said Dolgenbrodt's mayor, Karl Pfannenschwarz, during an interview at his villa — which once was the weekend retreat of the interior minister of East Germany. "How are we supposed to react when the state tells us to find room for 86 Gypsies or Africans?

"We were all frightened. We had no

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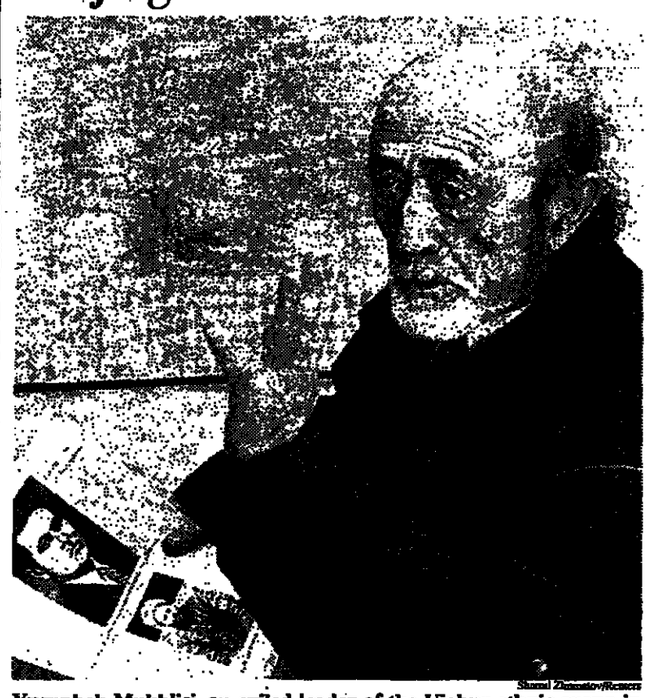
Beijing Arrests Muslim Rioters



Shamil Zhumatov/Reuters

Yusupbek Mukhlisi, an exiled leader of the Uighur ethnic group in China, saying in Kazakstan that the Chinese had executed 30 activists. China arrested an Uighur it said led separatist riots. Page 4.

Top North Korean Defects to South

Adviser to Communist Leader Walks Into Embassy in Beijing

By Kevin Sullivan
and Steven Mufson
Washington Post Service

TOKYO — The Stalinist regime of North Korea suffered the highest-level defection in its history Wednesday when its top theoretician, a close adviser to the leader Kim Jong Il, sought asylum at the South Korean Embassy in Beijing.

Hwang Jang Yop, key architect of North Korea's guiding philosophy of *juche*, or self-reliance, defected on his way home from a two-week tour through Japan during which he gave speeches and interviews promoting North Korean ideology. The author of many basic texts in North Korea, the 72-year-old Mr. Hwang is also married to a niece of the late leader Kim Il Sung.

"I'm astonished; it's like Marx defecting from the former Soviet Union," said Hajime Izumi, a leading North Korean specialist from the University of Shizuoka in Japan.

"It's like Thomas Jefferson defected from America," said a foreign diplomat in Beijing.

North Korean government spokesmen at first reacted with denial, then charged that Mr. Hwang had been kidnapped. A South Korean Embassy spokesman said Mr. Hwang walked into the embassy just after 10 A.M. with one of his aides.

Mr. Hwang remained ensconced at one of South Korea's Beijing embassy buildings, surrounded by Chinese security police and at the center of sensitive diplomatic negotiations regarding his passage to Seoul.

Mr. Hwang's defection is seen as further evidence of instability in North Korea, which is suffering from food shortages that some international relief agencies say threaten the country with famine this summer. Red Cross officials in Beijing said Pyongyang slashed grain consumption allowances four weeks ago by more than half, to 100 grams (4 ounces) a day from 250 grams a day. "It's too much to die from and too little to live off," said one official. Warehouse stockpiles are expected to be depleted by July.

With reports of hunger increasing, defections have been on the rise among soldiers, officials and average citizens.

But there has never been a defection by the likes of Mr. Hwang, a former president of Kim Il Sung University who is one of only 11 members on the powerful Secretariat of the Workers' Party of Korea. Three times he has been elected chairman of the Supreme People's Assembly. He has been a

A loan scandal is rattling the South Korean cabinet. Page 4.

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Agence France-Presse

Hwang Jang Yop of North Korea.

China Considers Easing Trade Laws to Join WTO

By David E. Sanger
New York Times Service

WASHINGTON — China has quietly told U.S. officials it is willing to abandon major trade barriers, including some laws protecting its state-run and military-run industries from foreign competition, in return for membership in the World Trade Organization, according to some of the officials.

The offer, conveyed to a U.S. negotiating team over the past two weeks and repeated to European and Japanese officials, marks the first time that China has discussed eliminating specific laws that have long been the subject of complaints by foreign investors.

These include a requirement that the investors export the great majority of the goods they produce, rules that have contributed to China's rising trade surplus with the United States.

But the Chinese have yet to indicate any willingness to tackle the most politically explosive problem in opening China's market: ending the big subsidies Beijing gives state-run industries, which employ a significant portion of the country's workers. Officials on several continents say the offers have so far been conveyed only in conversations between Chinese and American officials, and they remain skeptical of Beijing's willingness to follow through on the changes they have discussed.

U.S. Commerce Secretary William Daley, meeting with reporters Wednesday, termed the proposals "extremely encouraging" but said U.S. negotiators would wait to see the details of the Chinese offer in a written proposal to be presented when negotiators met next month in Geneva.

"There always has been a dysfunction between what they say and what they put in writing," Charlene Barshefsky, the U.S. trade representative-designate, said Tuesday, "and for WTO accession, what they put in writing is what counts."

Nonetheless, Ms. Barshefsky said, "Obviously China's rhetoric has improved significantly, and its willingness to begin to discuss issues of importance has increased." Others in President Bill

See WTO, Page 7

Zaire's War: Ukrainians, Serbs, Hutu, Even Zairians

By Howard W. French
New York Times Service

KISANGANI, Zaire — Every morning, from an airport at the edge of this crumbling city, Yugoslav jets with Ukrainian pilots take off with a scream, headed east toward a huge, shifting war zone, bombing anything that moves in the forest below.

On the ground at the airport, Serbian trainers with tattoos and shaved heads drill members of an elite Zairian unit, showing them how to break down and clean the new mounted machine guns and shoulder-fired rockets that Serbia has supplied to Zaire in defiance of an international arms embargo.

Rebels supported by neighboring Rwanda and Uganda have declared this city, Zaire's third-largest, their next strategic target.

In an effort to blunt the rebel advance, government forces with little appetite for battle have distributed assault rifles and mortar charges by the planeful to Hutu refugees from neighboring Rwanda.

Some of the Hutu are militia members who organized mass killings of members of their home country's Tutsi minority in 1994, while others are former members of the Rwandan Army, which was defeated by the Tutsi-led forces now in power in Rwanda.

The Rwandan Hutu and a few hundred mercenaries recruited in haste from a handful of European and African countries form the backbone of the government fighting force in what by any standard has to be one of Africa's least conventional wars.

Zaire's own soldiers, after blazing a trail of looting, rape and death from the Rwandan border zone, which they fled in November when the rebellion against President Mobutu Sese Seko began, remain twitchy and virtually useless in combat and are mostly left to guard this city.

Because Kisangani has been sacked by unpaid army troops twice already in this decade, the population is wary. Given this mistrust, few soldiers dare circulate in town alone, despite the assault rifles they wear slung over their shoulders.

"You've got a bit of everything here," said one international aid worker with long experience in Zaire. "Hutu who have participated in genocide, Serbs who are most probably war criminals and, on the other side, Tutsi-controlled forces that are trying to pull off a genocide of their own."

Credible witnesses, from church workers to captured rebels, say Tutsi — the predominant ethnic group among the rebels — have been hunting down young Hutu men as the rebels have advanced across the country.

The witnesses said rebels swept into the small town of Shabunda the other day, encircled as many of the 40,000 or

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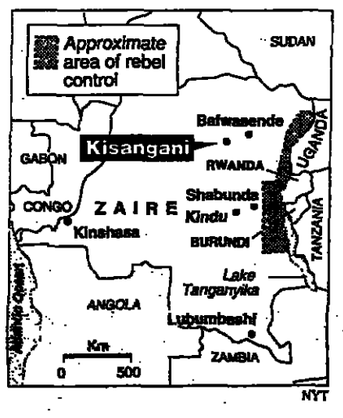

U.S. Superstores Adapt to Chinese Ways

By Keith B. Richburg
Washington Post Service

SHENZHEN, China — It's a Monday afternoon, just a few shopping days before last week's advent of the Year of the Ox, and the aisles of the Wal-Mart "supercenter" are packed with bargain hunters pushing carts loaded high with food, kitchen appliances and clothing.

This could be the pre-holiday shopping rush at any Wal-Mart store anywhere in Middle America. But the customers here are newly prosperous Chinese from one of the country's wealthiest southern cities. Alongside the American fare — the Campbell's soup, Bounty paper towels and Gillette shaving cream — there are delicacies with distinctly Chinese characteristics.

Down one aisle are the racks of dried fish and preserved plums, not far from the various flavors of watermelon seeds. One shelf is stacked high with soybean milk, and another carries multiple brands of *congee*, a popular southern Chinese breakfast dish. There are *nam yue* peanuts, stacks and stacks of instant noodles, and packets of preserved bamboo shoots.

Megastores such as this one are operating in several Chinese cities as America's retail giants discover the world's largest potential market — or 2 billion armpits waiting for someone to sell them deodorant, as the title of a recent book sums up the business rush.

"It boggles the mind to think if everybody washed their hair every day, how much shampoo you would sell," said Joe Hatfield, chief operating officer of Wal-Mart Stores Inc.

Over the years, quite a few foreign companies have entered China with similar stars in their eyes, and they are not always happy with what they find. Doing business here carries serious risk: from officials who feel free to change the rules of commerce overnight, to shoppers whose preferences don't always meet American expectations — not to mention potential political instability.

See STORES, Page 7

It's Annual Bonus Time For Wall Street's Winners

Six Figures of Fun for 'Masters of Universe'

By Trip Gabriel
New York Times Service

NEW YORK — There they are again: the brash young men with slicked-back hair, prowling among the exotic sports cars in Steven Kessler's East 34th Street showroom. They finger the buttery leather seats of an $84,900 1993 Ferrari Mondial, or dicker over the $179,000 price of a 1994 Lamborghini Diablo.

From late December through March, Wall Street's bonus-paying season, when executives receive as much as five or six times their base pay in one lump sum, Mr. Kessler says he makes 80 percent of his sales to stock and bond traders with money burning a hole in their pockets.

"They are young, aggressive people who are able to make decisions spontaneously," Mr. Kessler said. "They come to see what's in inventory, and when they receive their bonus checks — bingo."

Unlike most businesses, Wall Street rewards its workers strictly according to the previous year's results, and 1996 was spectacular.

The security industry's 150,000 workers in New York City are expected to pull down bonuses of more than $8.1 billion, 30 percent more than the previous high of $6.2 billion in 1995, according to the New York state comptroller, H. Carl McCall. (That works out to an average of $54,000 a person, with bonuses ranging from $10 million or more for the biggest winners to a few thousand for the lowliest clerks.)

Although Wall Street employs only about 5 percent of the city's private work force, the big year-end paychecks have a disproportionate effect on the local and regional economy, buoying everything from apartment prices to windfall tax revenues that can be sprinkled like stardust by City Hall in an election year.

Big bonuses also have an effect on the cultural climate of the city. In stores and

See BONUS, Page 7

Giscard on the Euro: Include Italy and Spain

By Alan Friedman
International Herald Tribune

PARIS — Former President Valery Giscard d'Estaing's call for a "lower level" for the franc against the dollar broke a taboo here last autumn and preceded a 10 percent appreciation of the U.S. currency.

In an interview Wednesday, he broke new ground again, suggesting that it might be possible for European leaders next spring to grant "conditional acceptance" to Italy and Spain so that they could join the first wave of nations launching Europe's single currency in 1999.

"It is highly important that Italy and Spain be members of the first wave of countries launching the euro," he said, "because their participation will give a truly European flavor. If we are just restricted to those countries centered around the Rhine it will simply look like an enlargement of the Deutsche mark zone and not a genuinely European endeavor."

While emphasizing that "naturally Italy and Spain can only be admitted if they meet the criteria contained in the Maastricht treaty," he nonetheless proposed that European leaders who will meet in early 1998 could agree on "a solution" to pave the way for these southern European countries to join the first wave.

That solution, he explained, could involve agreeing next spring to a plan for Italy and Spain to join the single currency launch even if they fail to meet the 1997 target, but as soon as they meet the criteria, whether that is in January 1999 or a few months later.

In a wide-ranging interview Mr. Giscard d'Estaing made these other points:

- He disclosed that he had notified President Jacques Chirac before his call last November for the franc to depreciate against the dollar.
- He said that at a time of high unemployment and fiscal austerity there was a lack of political leadership across the European Union "with the notable exception of Helmut Kohl."
- He called for "a more active monetary policy" in France that was not afraid to cut short-term interest rates down to German levels to help spur growth.

Commenting on the desirability of

See GISCARD, Page 7

AGENDA

EU Gets Stay in Dispute Over U.S. Sanctions Laws

The European Union on Wednesday requested a one-week delay in the creation of a World Trade Organization panel that would rule on the legality of U.S. trade sanctions.

The move raised hopes that the EU could reach an agreement with Washington over the sanctions, which Europe sees as a threat to its commercial interests. The dispute centers on two U.S. trade laws. The Helms-Burton Act allows the United States to punish foreign companies that use expropriated properties in Cuba, while the D'Amato Act enables Washington to withhold financing from foreign firms that do business with Iran or Libya.

Senior U.S. officials welcomed the move by the Union, which will provide time for high-level negotiations. Page 12.

New Record in the Mile

GHENT, Belgium (AFP) — Hicham El Guerrouj of Morocco set a new world record Wednesday when he ran the indoor mile in 3 minutes and 48.45 seconds. The previous record of 3:49.78 was set by Ireland's Eamonn Coghlan in 1983.

The Dollar

New York	Wednesday @ 4 P.M.	previous close
DM	1.687	1.6784
Pound	1.6305	1.6372
Yen	124.275	123.425
FF	5.689	5.661

The Dow

	Wednesday close	previous close
+103.52	6961.63	6858.11

S&P 500

change	Wednesday @ 4 P.M.	previous close
+13.23	802.77	789.54

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Missing Spirit in Prisoner Release

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Vladimir Musaelin/Agence France-Presse

INAUGURATED — President [illegible]an Maskhadov of Chechnya, left, and Vice President Vakha Arsanov at prayer during their inauguration Wednesday, as Alexander Lebed, right, looked on. Page 5.

Newsstand Prices

Bahrain	1.000 Dh	Malta	55 c.
Cyprus	C. £ 1.00	Nigeria	125,00 Naira
Denmark	14.00 D.Kr.	Oman	1.250 Rials
Finland	12.00 F.M.	Qatar	10.00 Rials
Gibraltar	£ 0.85	Rep. Ireland	IR £ 1.00
Great Britain	£ 0.90	Saudi Arabia	10.00 R
Egypt	E£ 5.50	S. Africa	R12 + VAT
Jordan	1.250 JD	U.A.E.	10.00 Dirh
Kenya	K. SH. 160	U.S. Mil. (Eur.)	$ 1.20
Kuwait	600 Fils	Zimbabwe	Zim.$30.00

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INTERNATIONAL HERALD TRIBUNE, THURSDAY, FEBRUARY 13, 1997

After 16 Months / **Linked to 'Mutual Trust'**

Israel Frees Arab Women, But the Spirit Is Missing

By Barton Gellman
Washington Post Service

RAMALLAH, Israeli-Occupied West Bank — Hadi Ghussein, a husky 4-year-old boy, plotted recently to spring his Aunt Mae from Israel's Tel Mond prison. He hatched the plan, his mother said, the first time he saw his aunt behind bars serving a 99-year sentence for stabbing an Israeli Jew to death.

"He asked me why she won't come home with us, and I said the Jews won't let her out," recounted Mayesoun Ghussein, 29, the prisoner's older sister.

"He said, 'I will free her,' and I said, 'You can't, they will kill you.' And he said, 'No, I will go there with my bicycle and put her on the back and if they try to stop me I will shoot them with this gun.'"

Hadi's mother told that story with smiling pride as they waited together all day outdoors Tuesday, the boy's black plastic pistol tucked in his waistband, for Mae Ghussein's promised release from her Israeli cell. It was one among many signs that a negotiated amnesty for female "security prisoners" had not brought the spirit of fellowship to which it aspired.

By nightfall Mae Ghussein had yet to appear, her fate tangled once again in a legal-political knot. But around midnight, Israeli authorities announced that she and most of her fellow female prisoners had finally been freed.

Israel promised more than 16 months ago to release the women, by now numbering 31, immediately. It was supposed to be a "confidence-building measure," in the words of the Palestinian-Israeli peace agreement, to "establish a solid base of mutual trust and good faith" with the Palestinian public and its self-rule authority.

Prime Minister Benjamin Netanyahu reaffirmed that commitment in another agreement last month, and his government scheduled the release to coincide with the three-day Muslim feast of Eid al Fitr now under way. But a series of bureaucratic and legal delays, along with simultaneous moves to seize additional land on the West Bank, transformed the event into one more mutually infuriating spat.

The Palestinian leader Yasser Arafat, who flew to Ramallah to celebrate the release and declared it "a great contribution to the peace process," stormed out of the Governate Building Tuesday evening when another last-minute Israeli Supreme Court challenge — this one, like the ones before it, from the Victims of Arab Terror lobby in Israel — brought fresh delays.

"They are saying words and they are playing games on the ground," Ahmed Korei, speaker of the Palestinian legislature and former chief negotiator with Israel, said in an interview here.

It may have been too ambitious, in any case, to look for Israeli-Palestinian reconciliation on the subject of prisoners. Few subjects, if any, divide the two sides more fundamentally in outlook.

Palestinians of every political hue regard the prisoners as patriots jailed for honorable acts of resistance against Israeli conquest. Imprisonment has touched nearly every family, with Israel's government estimating that 120,000 Palestinians — from a total population of 2 million — spent time in Israeli cells during the 1987-93 *intifada*, the uprising against occupation. The arrests arose from accusations of offenses ranging from murder to flying a flag.

Even supporters of the evolving peace accords said, as Zarifeh Hassan Abdallah, the mother of a prisoner, put it, that "if it wasn't for the intifada, Israel would never have come to us for peace."

Not even the most dovish Israelis, by contrast, are prepared to accept drive-by shootings of civilian cars or knifings in the back as legitimate acts of war.

And though only a few hundred of the roughly 3,000 current Palestinian prisoners — including five of the 31 women — were implicated in serious violence, Israeli commentators tend to call all of them "terrorists."

THE VERY IDEA of a party, which Mr. Arafat planned in Ramallah for Tuesday, offended most Israelis' sensibility.

"I supported the release with very difficult feelings, because they don't deserve to be released, but I supported it in order to open a new page" in relations between Palestinians and Jews, said Amnon Rubenstein, an Israeli member of Parliament from the leftist Meretz Party.

"The new page must be clean, not filled with celebrations and parties for terrorists who murdered Jews," he added.

In the Jewish settlement of Beit El, on the edge of Ramallah, protesting residents unveiled a garden Tuesday named for Zvi Klein, who died in 1991 in a killing his family blames on one of the women released tonight.

The woman, Abir Wahaidi, was not in fact charged with the murder, but she admitted heading the armed cell whose members were believed by Israeli Jews to have shot Mr. Klein to death.

"When we see how his memory is being defiled, then we must do something to honor his memory," said Moshe Ayal, 39, who heads Beit El's religious seminary. "The garden will symbolize growth, blossoming, flowering — all that was cut down by his murderer."

Further draining the day of its joy was a forced eviction of Bedouins from an area marked for expansion of the Jewish settlement of Maale Adumim outside Jerusalem, and a violent clash between Israeli troops and hundreds of Palestinians trying to block the opening of a new Jewish quarry near the West Bank city of Tulkarm.

After hours of bureaucratic delays that seemed intended to prevent prime-time televised scenes of the prisoners departing in triumph, the first of the women were loaded into vans at dusk.

But the last-minute legal challenge forced the prison service to recall some of the prisoners, and nearly all the rest said they would not go home without their comrades. All but one had finally left by midnight.

Yoav Lemmer/Agence France-Presse

A freed Palestinian woman flashing a V-sign on arriving in Ramallah, but Israeli delays and Palestinian celebrations left an air of hostility.

Commission On Air Safety Stresses Need For Profiles

The Associated Press

WASHINGTON — Despite complaints from civil libertarians, a White House commission is recommending that automated passenger profiles be used to help keep would-be terrorists off commercial airliners.

The idea was among 53 measures offered to President Bill Clinton on Wednesday by the White House Commission on Aviation Safety and Security. Many of the proposals are already being implemented by airlines and at airports.

The modernization of air-traffic control systems should be sped up, the draft report says, with the goal of completing it by 2005. The report also calls for reducing the rate of airplane accidents by "a factor of five" in the next 10 years through a major upgrade of Federal Aviation Administration safety and security measures.

Commissioners said reducing the accident rate was crucial. While noting that risk of dying in a plane crash remains low, a projection by Boeing Co. recently showed that unless the global accident rate was reduced, an airliner would crash somewhere around the world nearly every week by 2015.

The commission, led by Vice President Al Gore, was appointed by Mr. Clinton after TWA Flight 800 crashed off Long Island in July, killing all 230 people aboard. Investigators have not yet determined what caused the Paris-bound Boeing 747 to explode shortly after takeoff.

Mr. Gore said Wednesday at the commission's final meeting that the National Aeronautics and Space Administration would change its aviation programs to focus on safety research.

NASA will devote $500 million over the next five years to this effort, he said.

The commission urged that cost not be the only basis for deciding whether to put new safety rules into effect. Sometimes a safety rule should go ahead even when the benefits cannot be easily measured, the commissioners said.

Automated profiles, bomb-sniffing dogs and better training of security officers were among the commission's recommendations. The report said profiling would be easy to carry out, as "passengers could be separated into a very large majority who present little or no risk, and a small minority who merit additional attention."

Commissioners noted, for example, that because Customs officials use automated profiling, "many legitimate travelers never see a Customs agent anymore — and drug busts are way up."

But the proposal drew a chorus of objections. In a letter to Mr. Gore, a coalition of 17 groups, including the American Civil Liberties Union and the American-Arab Anti-Discrimination Committee, urged the panel to drop automated profiling altogether.

They said profiling would lead to discrimination against certain sets of travelers, mainly those of Middle Eastern origin. It also creates an opportunity for federal officials to warehouse information that, if proved wrong, would be difficult for an innocent person to erase, they said.

"The risks to privacy are enormous," the coalition wrote. "This proposal is a quick fix that won't fix anything."

The commission sought to allay those concerns, incorporating into the report provisions that passenger profiles be random and not unduly based on race, ethnicity or gender.

Automated profiling involves using computers to, among other things, scan the travel history and possible criminal pasts of passengers to identify potential terrorists.

An official close to the commission said it would do all it could to ensure that profiling did not infringe on civil rights, saying aviation officials were not interested in creating "some huge database of suspect characters that is kept for years and years and then can have a life of its own."

TRAVEL UPDATE

Spanish Truckers Block Roads

MADRID (AP) — Roads throughout Spain were blocked Wednesday and gasoline and fresh food were in short supply in some regions as a truckers' strike intensified.

Truckers have blocked main roads in northern and western Spain demanding fuel subsidies, the recognition of illnesses tied to the profession, and the lowering of the retirement age to 60 from 65. Some roads at the French and Portuguese borders were also blocked by the truckers.

Offers in American Airline Dispute

WASHINGTON (AP) — American Airlines and its pilot union have exchanged new contract proposals as talks continue in hopes of averting a weekend strike at the largest U.S. domestic airline.

Airline officials and the Allied Pilots Association offered letters outlining their new stances late Tuesday after a day that was characterized as "frustrating" by the union. The pilots' strike is to begin at midnight Friday if a deal is not reached.

French Transport Strike in 7th Day

PARIS (Reuters) — Strikes by public transport workers demanding shorter working hours and early retirement disrupted services Wednesday in many French provincial cities for the seventh consecutive day.

The protests halted or disrupted bus, tram or subway service in Marseille, Lille, Nice, Toulon, Cannes, Sete, Le Mans and several other cities. In Toulouse, where the strike began three weeks ago, and in Marseille, transport authorities hired private buses to replace services affected by strikers.

Italy Rail Union Walkout Averted

ROME (AFP) — Train unions have called off a 24-hour nationwide strike planned for Sunday after agreeing with the government overnight on the reorganization of Italy's state railroad, union leaders said Wednesday.

Only one union, a train drivers' group, stayed out of the agreement and said it would clarify its position later.

Up to 1,000 visitors were turned away from the Acropolis in Athens on Wednesday as striking guards protesting plans to cut their salary bonuses kept the site from opening. *(AP)*

Five counties in Inner Mongolia have been opened to foreigners, bringing the total number of Chinese counties open to overseas visitors to 1,288, the official Xinhua press agency reported Wednesday. *(AP)*

The Tortuous Choices of Albright's Family

By Roger Cohen
New York Times Service

NEWS ANALYSIS

PRAGUE — In the cemetery of the small Bohemian town of Letohrad, which was home to Madeleine Albright's forebears, there is a simple marble slab tucked away in a corner where the snow is untrodden. Dated 1930, it reads simply: "1914-1918: We gave our lives. You give love to your homeland."

The theme of one generation's sacrifice for the next has been a constant one in this waning century, not least in the bloodstained center of Europe.

Josef Korbel, Mrs. Albright's father, took the exhortation to heart, loving and serving the Czechoslovak state born out of World War I.

He later described the state as rising "phoenix-like from the ashes of the Austro-Hungarian empire," rich in its "heritage of freedom." An assimilated Jew, he seems to have seen in Czechoslovakia's democratic gathering of diverse ethnic and religious groups — Czechs, Germans, Slovaks, Ruthenians, Magyars and Jews — a moving symbol of the progress and emancipation his own merchant family had enjoyed.

Then, within a decade of each other, the twin totalitarian forces of this century — Nazi fascism and Soviet communism — engulfed Czechoslovakia. The former annihilated his Jewish family, the latter the interwar state he loved.

Mr. Korbel, having fled to America in 1948, chose to recall for his daughter Madeleine, and to write about, "the total perfidy of the communist mind." What Nazism did to the Jewish Korbels was suppressed.

In his book, "The Communist Subversion of Czechoslovakia (1938-1948)" — dedicated "to the Memory of my Parents" — Mr. Korbel repeatedly assails "the long night of communist totalitarianism." He also deplores the Germanization of Czech culture and the pillaging of the economy under Nazi occupation.

But he does not mention the fate of the more than 100,000 Jews in his homeland, most of whom, like his mother and father, were killed by the Nazis during the period Czechoslovakia's communist authorities distorted its history. A memorial recalled the suffering of Czech resistance fighters, particularly communists, imprisoned there, but it scarcely mentioned the Jews.

Lists of Jewish deportees were kept secret. The history of Terezin, as the place where Czechoslovakia's Jewish community was annihilated, was subordinated to the dictates of "anti-imperialism" and "anti-Zionism."

Today, a monumental cross towering over a field of graves — dwarfing a Star of David — suggests a certain ambiguity. But much has now been clarified. In 1995 a list was published of the more than 70,000 Jews who perished in Terezin, or after deportation from the town.

The theme of one generation's sacrifice for the next has been a constant one in this century.

The names of Mrs. Albright's paternal grandparents — Arnost and Olga Korbel — are in the 1,559-page list. Of the 999 Jews who arrived in Terezin with them on July 30, 1942, only 66 survived the war. Arnost Korbel perished in Terezin; several of Mrs. Albright's relatives died at Auschwitz.

In the Czech Republic, which separated from Slovakia in 1993, the repeated oppression of this century has bred a deep understanding of the forces that lead to personal decisions like that of Josef and Mandula Korbel to convert their family to Catholicism and hide their Jewish descent.

The conversion took place in 1939 in London, when Madeleine Albright was 2, her cousin Dagmar Sima said. Mrs. Sima lived with the Korbel family in London during the war.

Shortly after the war, when Mr. Korbel was the Czechoslovak ambassador in Belgrade, Josef Marek attended the baptism in the embassy of Mrs. Albright's younger brother, Jan. Mr. Marek, who was chosen as godfather to Jan, had long known the Korbel family as Jews before the war.

"But I found nothing strange in the ceremony," he said. "After all, they were completely assimilated Czechs. Madeleine's mother told me to be Jewish was always to risk persecution."

Even Dagmar Sima said the death of her parents at the hands of the Nazis "did not make me feel Jewish."

Also reared in an assimilated family and baptized during the war in the quest for survival, she remained a secular Czech. But unlike Mrs. Albright, she knew the family history and passed it on to her children.

She said: "My parents, my grandparents, Madeleine's family — they all belonged to me in some way. My heart grew bigger for all of them. It is this, I think, that should be passed down the generations — not the Jewish feeling necessarily, but the remembrance of the dead. I never for a moment suspected that she did not know."

Now, by a strange twist of fate, Mrs. Albright appears likely to have the task of steering the Czech Republic into NATO, the Western alliance born out of the battle against Nazism to fight the battle against communism.

Of such union with Western nations her father dreamed.

WEEKEND SKI REPORT

Resort	Depth L	Depth U	Mtn. Pistes	Res. Pistes	Snow State	Lost Snow	Comments
Andorra							
Pas de la Casa	135	180	Good	Hard	Pckd	3/2	*all 29 lifts open, pistes remain Good*
Soldeu	40	180	Good	icy	Pckd	29/1	*all 21 lifts open, some great skiing*
Austria							
Ischgl	30	125	Good	Open	Pckd	12/2	*all 41 lifts open, 10cm of fresh snow*
Kitzbuhel	10	60	Fair	worn	Var	12/2	*55/60 lifts open, snow above 1200m*
Lech	70	145	Good	Open	heavy	12/2	*all 34 lifts open, fresh covering*
Mayrhofen	35	45	Fair	Closed	heavy	5/2	*all 28 lifts open, s. Facing runs worn*
Obergurgl	30	140	Good	Open	Pckd	12/2	*all 23 lifts open, dusting fresh snow*
Saalbach	25	30	Fair	Art	Pckd	12/2	*all lifts open, heavy conditions*
St. Anton	50	185	Good	slush	heavy	12/2	*all 32 lifts open, runs enjoyable*
Canada							
Lake Louise	125	155	Good	Open	Var	3/2	*all 12 lifts open, most pistesGood*
Whistler	70	255	Good	Hard	Var	11/2	*all 26 lifts open, all but lowest good*
France							
Alpe d'Huez	100	250	Good	Open	Var	5/2	*76/83 lifts open,pistes mostlyGood*
Les Arcs	75	175	Good	Open	Pckd	5/2	*73/77 lifts open, great above 1800m*
Avoriaz	145	165	Good	Open	Var	11/2	*all lifts open, 5cm of fresh*
Chamonix	10	215	Good	Art	Var	5/2	*48/49 lifts open, snow expected*
Courchevel	100	140	Good	Open	Pckd	5/2	*all 66 lifts open, good cover thght.*
Les Deux Alpes	70	280	Good	Open	Var	5/2	*all 63 lifts open, runs great*
Megeve	25	160	Good	worn	Pckd	5/2	*39/41 lifts open, becoming busy*
Meribel	50	140	Good	heavy	Pckd	5/2	*fully open, good above midstat*
La Plagne	100	180	Good	Open	Var	5/2	*106/111 lifts open, N runs great*
Serre Chevalier	80	280	Good	Open	Var	5/2	*all 73 lifts open, pistes mostlyGood*
Tignes	105	170	Good	Open	Var	11/2	*great skiing despite odd icy patch*
Val d'Isère	95	210	Good	Open	Var	5/2	*83/100 lifts open, some great skiing*
Val Thorens	100	200	Good	Open	Pckd	11/2	*23/25 lifts open, pistes great shape*
Germany							
Berchtesgaden	10	30	Hard	Closed	Pckd	5/2	*10/31 lifts open, most runs patchy*
Oberstdorf	10	70	Fair	Hard	Pckd	3/2	*21/26 lifts open, springlike cdns*

Resort	Depth L	Depth U	Mtn. Pistes	Res. Pistes	Snow State	Lost Snow	Comments
Italy							
Bormio	30	195	Good	Art	Var	5/2	*14/16 lifts, patchy below 1800m*
Cervinia	100	360	Good	Open	Var	5/2	*all 25 lifts open, grasstsrng*
Cortina	25	100	Good	icy	heavy	28/1	*all 51 lifts open, good though busy*
Courmayeur	35	160	Good	n/a	Var	5/2	*21/22 lifts open, great at altitude*
Livigno	80	180	Good	Open	Pckd	5/2	*all 31 lifts open, some great skiing*
Madesimo	90	260	Good	Hard	Pckd	5/2	*19/17 lifts open, pistes mostlyGood*
Selva	20	90	Good	icy	Pckd	21/1	*all 61 lifts and sells rondo open*
Norway							
Gello	50	50	Fair	Hard	Pckd	8/2	*all 18 lifts open, 120km of xcountry*
Switzerland							
Crans Montana	30	235	Good	worn	Var	5/2	*40/41 lifts open, great on glacier*
Davos	45	150	Good	Hard	Var	5/2	*all 55 lifts open, best at altitude*
Klosters	30	155	Good	Open	Pckd	5/2	*all 55 lifts, patchy below 1900m*
Murren	80	130	Good	icy	Var	5/2	*all 12 lifts, patchy below 1800m*
Saas Fee	80	300	Good	Open	Var	5/2	*25/28 lifts open,runs wearing*
St. Moritz	40	180	Good	icy	Pckd	8/2	*all lifts open, greatskiing*
Verbier	45	190	Good	icy	Var	5/2	*78/74 lifts open, all but lowest good*
Wengen	10	90	Good	Open	Var	5/2	*all 20 lifts open, sottdown*
Zermatt	40	260	Good	Hard	Pckd	5/2	*69/73 lifts open, runs great*
U.S.							
Aspen	150	165	Good	Open	Pckd	8/2	*fully open, greatskiing*
Breckenridge	150	195	Good	Open	Pckd	8/2	*17 lifts and 136 trails open*
Crested Butte	175	210	Good	Open	Pckd	8/2	*all 13 lifts, some great skiing*
Mammoth	325	445	Good	Open	Pckd	5/2	*22/30 lifts open, excellent skiing*
Park City	180	265	Good	Open	Pckd	8/2	*all 14 lifts and 89 trails open*
Vail	150	215	Good	Open	Pckd	8/2	*29 lifts and 4844 acres open*
Winter Park	160	190	Good	Open	Pckd	8/2	*18/20 lifts and 117/121 trails open*

Key: L,U: Depth in cm on lower and upper slopes. Mtn. Pistes Mountainside pistes. Res. Pistes Runs leading to resort village. Art. Artificial snow. *Reports supplied by the Ski Club of Great Britain.*

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WEATHER

Forecast for Friday through Sunday, as provided by AccuWeather.

Jetstream | Unseasonably Cold | Unseasonably Mild | Heavy Rain | Heavy Snow

North America
A storm will bring a wintry mix of precipitation to the mid-Atlantic and Northeast Friday, followed by a chilly shot over the weekend. Unseasonably chilly in the Great Lakes and northern Plains will flurries possible this weekend. Mild in Florida and across the West.

Europe
Cold air dropping southward across Scandinavia will be poised to enter northeastern Europe, including Warsaw, late in the weekend. Cooler and damp weather will affect Italy and southeastern Europe through the weekend. A major storm could affect the British Isles by the end of the weekend.

Asia
A weak cold front will move through northeastern China Friday, then the Koreas Saturday. This front will knock temperatures closer to normal in these areas on Saturday and Sunday respectively. Much of Japan will experience a moderating trend with stormy weather over the weekend.

Europe

	Today High C/F	Today Low/W C/F	Tomorrow High C/F	Tomorrow Low/W C/F
Algarve	18/64	9/48 pc	17/62	10/50 s
Amsterdam	9/48	2/35 r	9/48	-1/34 pc
Ankara	3/37	0/32 c	6/43	1/34 r
Athens	14/57	11/52 pc	17/62	13/55 pc
Barcelona	14/57	6/46 s	17/62	9/48 s
Belgrade	13/55	1/34 pc	9/48	3/37 c
Berlin	6/46	2/35 r	7/44	-3/27 c
Brussels	9/48	3/37 r	8/46	0/32 pc
Budapest	7/44	0/32 sh	4/39	-1/31 c
Copenhagen	7/44	3/37 r	4/39	-5/24 pc
Costa Del Sol	19/66	8/48 s	19/66	10/50 s
Dublin	7/44	4/39 c	8/46	2/35 c
Edinburgh	9/48	1/34 c	8/46	-1/31 pc
Florence	16/61	2/35 pc	15/61	8/46 c
Frankfurt	6/43	1/34 r	9/48	-3/27 c
Geneva	4/39	2/35 r	10/50	3/37 c
Helsinki	-1/31	-4/25 c	-2/29	-9/16 sn
Istanbul	12/53	3/46 pc	12/53	6/46 pc
Las Palmas	21/70	16/61 s	19/66	13/55 t
Lisbon	15/61	8/46 pc	15/59	10/50 pc
London	8/46	4/39 pc	11/52	3/37 c
Madrid	14/57	3/37 pc	19/61	6/41 pc
Mallorca	13/55	9/48 s	17/62	11/52 s
Milan	11/52	0/32 pc	14/57	6/43 c
Moscow	1/34	-6/22 c	2/35	-4/25 sf
Munich	7/44	-2/29 r	8/46	-1/31 c
Nice	16/61	7/44 s	19/66	11/52 pc
Oslo	-1/31	-4/25 r	-1/31	-13/11 sn
Paris	7/44	4/39 sh	11/52	0/32 c
Prague	7/44	0/32 r	10/50	-4/25 c
Reykjavik	1/34	-1/31 sn	0/32	-6/22 sn
Rome	16/61	5/41 pc	17/62	11/52 pc
St. Petersburg	-2/29	-4/25 c	-1/31	-5/24 sn
Stockholm	1/34	-2/29 sn	1/34	-4/25 sn
Strasbourg	7/44	2/35 r	10/50	3/35 c
Tallinn	-1/31	-4/25 c	-2/29	-8/18 sn
Venice	12/53	-1/31 pc	13/55	6/43 c
Vienna	8/46	1/34 sh	11/52	1/34 c
Warsaw	6/43	4/39 r	4/39	-4/25 c
Zurich	4/39	0/32 r	9/48	2/35 s

Middle East

	Today High C/F	Today Low/W C/F	Tomorrow High C/F	Tomorrow Low/W C/F
Abu Dhabi	21/70	9/48 s	23/73	13/55 s
Beirut	13/55	8/46 c	15/59	11/52 pc
Cairo	19/61	9/43 s	18/61	8/46 pc
Damascus	9/48	1/34 pc	11/52	2/35 s
Jerusalem	9/48	1/34 pc	11/52	3/37 pc
Luxor	20/68	1/34 s	21/70	3/37 s
Riyadh	16/64	4/39 s	19/66	7/44 pc

North America

	Today High C/F	Today Low/W C/F	Tomorrow High C/F	Tomorrow Low/W C/F
Anchorage	-1/31	-7/20 c	-1/31	-6/22 sf
Atlanta	3/37	2/35 r	10/50	8/46 r
Boston	-1/31	-6/18 s	0/32	-3/27 pc
Chicago	-4/25	-8/22 s	1/34	-5/22 pc
Dallas	4/39	0/32 c	9/48	-1/31 s
Denver	0/32	-6/18 sn	7/44	-4/22 pc
Detroit	-3/27	-7/20 s	0/32	-3/27 c
Honolulu	27/80	19/66 pc	28/82	20/68 pc
Houston	11/52	6/43 pc	15/59	4/39 sh
Los Angeles	22/71	6/46 s	23/73	8/46 s
Miami	28/79	21/70 pc	29/84	22/71 pc
Minneapolis	-4/25	-9/16 pc	-3/27	-8/18 pc
Montreal	-13/9	-13/9 pc	1/34	-8/18 s
Nassau	30/86	20/68 pc	29/84	21/70 pc
New York	0/32	-4/25 s	0/32	-2/29 sn
Orlando	24/75	17/62 c	28/82	17/62 pc
Phoenix	21/70	7/44 s	25/77	7/44 s
San Fran.	17/62	6/43 s	17/62	7/44 pc
Seattle	9/48	6/43 sh	11/52	6/43 sh
Toronto	-7/20	-9/16 s	2/35	-7/20 pc
Vancouver	6/48	6/43 sh	10/50	6/43 sh
Washington	1/34	-4/25 pc	1/34	-2/29 sn

Asia

	Today High C/F	Today Low/W C/F	Tomorrow High C/F	Tomorrow Low/W C/F
Baa	33/91	23/73 pc	32/89	23/73 pc
Bangkok	32/89	23/73 sh	32/89	24/75 pc
Beijing	9/48	-3/27 s	8/46	-4/25 s
Bombay	31/88	25/59 s	31/88	20/68 s
Calcutta	29/84	14/57 s	28/82	19/66 s
Chiang Mai	32/89	21/70 sh	33/91	22/71 pc
Colombo	29/84	21/70 pc	29/82	23/73 pc
Hanoi	19/66	15/59 sh	19/66	16/61 sh
Ho Chi Minh	31/88	24/75 t	32/89	23/73 t
Hong Kong	17/62	14/57 sh	18/64	14/57 sh
Islamabad	17/62	2/35 pc	18/64	2/35 r
Jakarta	29/84	23/73 c	29/84	23/73 c
Karachi	28/73	12/53 s	28/73	12/53 s
K. Lumpur	32/89	23/73 c	31/88	23/73 t
K. Kinabalu	31/88	24/75 c	32/89	23/73 pc
Manila	28/82	21/70 r	29/84	22/71 pc
New Delhi	24/75	6/43 s	23/71	8/46 pc
Phnom Penh	31/88	23/73 c	33/91	23/73 c
Phuket	30/86	25/73 sh	32/89	24/75 pc
Rangoon	32/89	22/71 sh	33/91	24/75 pc
Seoul	1/34	-7/20 s	3/37	-4/25 pc
Shanghai	8/48	-1/31 s	9/48	2/35 sh
Singapore	31/88	24/75 c	32/89	23/73 pc
Taipei	18/61	12/53 sh	22/71	17/62 t
Tokyo	11/52	3/35 s	13/55	4/39 s
Vientiane	18/64	16/61 sh	20/68	15/59 sh

Africa

Algiers	18/64	6/43 s	20/68	11/52 s
Cape Town	21/70	13/55 pc	27/80	16/61 s
Casablanca	19/66	10/50 pc	15/64	9/48 pc
Harare	28/82	6/41 s	27/80	9/48 s
Lagos	30/86	23/73 s	29/84	23/73 s
Nairobi	29/84	10/50 s	28/82	13/55 s
Tunis	17/62	8/46 pc	18/64	12/53 pc

Latin America

Buenos Aires	28/79	17/62 pc	28/82	18/64 pc
Caracas	29/84	20/68 pc	30/86	23/73 pc
Lima	27/80	21/70 s	28/82	21/70 sh
Mexico City	23/73	8/46 pc	23/73	7/44 pc
Rio de Janeiro	28/79	19/66 pc	28/79	21/70 pc
Santiago	30/86	14/57 s	30/86	13/55 sh

Oceania

Auckland	22/71	13/55 pc	22/71	14/57 s
Sydney	28/79	24/75 r	28/82	24/75 t

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THE AMERICAS

Clinton and Republicans Find Common Ground

But Campaign Finance Is Left Off Table

By Peter Baker and Eric Pianin
Washington Post Service

WASHINGTON — President Bill Clinton and congressional leaders have taken their first steps toward translating bipartisan words into deeds by agreeing to concentrate on five top-priority initiatives in the coming months — including tax cuts and education proposals. But conspicuously missing from their agenda was campaign finance reform.

In a rare collaboration between a president and lawmakers of different parties, the two sides agreed Tuesday to focus on issues where both believe consensus is within reach. Apart from tax and education plans, those were: aid for the District of Columbia, juvenile justice measures and business incentives to put welfare recipients to work.

"The whole system is kind of tending toward movement instead of paralysis again, and that's a good thing for America," Mr. Clinton said before leaving the White House to meet with congressional leaders at the Capitol. "And I'm going to do what I can to keep it going."

But just as significant as the areas of commonality were the issues left off the table, most notably legislation intended to stem the enormous flow of special-interest money into the electoral process. Just last week, Mr. Clinton challenged Congress to pass such a plan by July 4.

For all the goodwill generated during the private talks, a measure of how hard it will be to agree on substance came later in the afternoon when Treasury Secretary Robert Rubin and House Republicans clashed on the president's balanced-budget plan.

Still, the session between Mr. Clinton and congressional leaders represented something of a milestone in their relationship. At the invitation of lawmakers, Mr. Clinton traveled the length of Pennsylvania Avenue to meet them on their home turf, an unusual act for a president, and one intended to symbolize a new era of constructive engagement.

The House speaker, Newt Gingrich, Republican of Georgia, described the meeting as "very, very positive," while the Senate majority leader, Trent Lott, Republican of Massachusetts, called the atmosphere "the best I've seen in some time." Mr. Clinton was "delighted with the tone," the White House spokesman, Michael McCurry, said.

In contrast with their largely negative assessment of Mr. Clinton's budget plan last week, Republican leaders on Tuesday said they were prepared to use the president's proposal as the starting point for negotiating a long-term agreement to eliminate the deficit by 2002, instead of writing their own plan from scratch. The leaders said they would try to wrap up a deal by April 15.

Working groups will be formed in each of the five areas to thrash out differences, and Mr. Clinton will assign a top official to oversee negotiations for the administration.

During Tuesday's meeting, according to participants, Mr. Clinton put education and welfare on the table, while Mr. Gingrich brought up the District of Columbia, and Mr. Lott added juvenile crime. Because both sides have competing but overlapping tax-cutting plans, there was general agreement to add that issue as well.

The Senate minority leader, Thomas Daschle, Democrat of South Dakota, was rebuffed in his attempt to add health insurance for poor children to the agenda, and other issues including nuclear waste, chemical weapons and the Superfund program for cleaning up toxic waste were discussed but left off the list.

White House officials said Mr. Clinton, while mentioning campaign finance, did not push to have it included because both parties are so deeply divided on the topic that their leaders would be unable to take a united position.

"That would be the last place you'd want to go to get anything done," one aide to Mr. Clinton said.

Instead, the White House said it would attempt to pressure Congress to act on campaign finance by playing up public sentiment about the issue.

Win McNamee/Reuters

Trent Lott, right, and Newt Gingrich talking up their bipartisan approach.

POLITICAL NOTES

Senate Unit Drags Heels on Lake Hearings

WASHINGTON — Determined to delay or derail Anthony Lake's confirmation as director of the CIA, the chairman of the Senate intelligence committee has once again postponed public hearings on the nomination.

Senator Richard Shelby, Republican of Alabama, said a lot of "unanswered, perplexing questions" about Mr. Lake's conduct as President Bill Clinton's first-term national security adviser forced him to put off the twice-postponed hearings until March 11.

A vote on Mr. Lake's confirmation, which committee members and their staffs said would probably have passed narrowly if it were held soon, now is unlikely for at least five weeks. The committee's deputy chairman, Senator Bob Kerrey, a Nebraska Democrat, said Tuesday that the postponement "risks turning a position that is extremely important to the nation's safety into a political football."

Justice Department investigations concluded last week addressed some of the questions Mr. Shelby cited, but the answers clearly did not satisfy him. The Justice Department found that Mr. Lake had not lied to Congress about the administration's tacit approval of Iran's arms shipments to Bosnia's Muslims. Mr. Shelby, who has come close to accusing Mr. Lake of being untruthful, would not accept the finding.

The Justice Department also said Mr. Lake should pay $5,000 to settle a civil case brought because he had failed to sell energy stocks that created potential conflicts of interest with his powers as national security adviser. But the report on that case, Mr. Shelby said, "raises as many questions as it purported to answer, and was not as satisfactory as I had hoped." *(NYT)*

Clinton Fund-Raising Aide Unrepentant

WASHINGTON — Alternately defiant and contrite, President Clinton's senior aide for his 1996 re-election campaign has taken responsibility for some fund-raising missteps but insisted that he broke no laws and that Mr. Clinton's courtship of Democratic donors was no different from the practices of his predecessors.

Harold Ickes, the former White House deputy chief of staff, acknowledged Tuesday that he should not have sought to steer more than $1 million in donations from a Texas business leader to the Democratic National Committee and other groups in the closing days of the campaign.

But he said his actions, which are under investigation, were not illegal because he did not solicit the money — which he was prohibited from doing as a federal employee. He said he had erred in using a government fax machine and telephone to contact an intermediary about the donation.

Mr. Ickes defended the party's overall fund-raising record compared with what he described as pervasive abuses when he first got involved in politics.

"The system is a lot cleaner and a lot less subject to abuse than it was 20 years ago," Mr. Ickes said. "So, I make no apologies for either the amounts of money we raised or basically the way we raised it." *(LAT)*

Quote/Unquote

Secretary of State Madeleine Albright, urging Congress to support a measure that would speed the release of money for family-planning programs overseas: "I think the issue here, sir, is that we desperately need the money in order to try to get women out of the terrible poverty that has existed." *(NYT)*

Clinton Embraces a Soul Mate: TV Preacher

By Peter Baker
Washington Post Service

WASHINGTON — One is a Southern Baptist from Arkansas who was educated in Roman Catholic schools and often worships at his wife's Methodist church.

The other is a television evangelist who preaches about the power of self-esteem and "possibility thinking" to millions of viewers each week from the pulpit in his all-glass cathedral in Southern California.

An unlikely pairing at first glance, perhaps, but President Bill Clinton seems to have found something of a spiritual soul mate in the Reverend Robert Schuller, host of "The Hour of Power," one of the most watched and influential religious programs in history.

There was Mr. Schuller at the White House the weekend before the inauguration, suggesting Scripture to mark the beginning of the president's second term. There was Mr. Schuller again last week, sitting next to Hillary Rodham Clinton in the House gallery during the State of the Union Address as the president singled him out for recognition.

And there was Mr. Schuller on the telephone with a White House speechwriter, offering thoughts for Mr. Clinton's confession-style talk a few days later at a prayer breakfast in which the president complained about the meanspiritedness that infuses Washington.

As Mr. Clinton opens the next stage of his presidency, preaching reconciliation and casting himself as a unifying force in a divisive world, he has turned to many quarters for counsel.

But it has been Mr. Schuller who has provided the biblical inspiration — his favorite verse (Isaiah 58:12, "Thou shalt be called, The repairer of the breach") has become almost an anthem for Mr. Clinton.

"He thought he grabbed the Bible verse, but I think the Bible verse grabbed him," Mr. Schuller said from his office in Garden Grove, California.

From his Crystal Cathedral, sheathed in more than 10,000 panes of glass, Mr. Schuller runs one of the nation's oldest television ministries, a congregation of the Reformed Church in America.

Now in its 27th season, his broadcast helps bring in more than $50 million a year and reaches an estimated 20 million followers in 184 countries with his message of "positive theology." Among his "power quotes" is "God plus me equals a majority."

"He is an example of an evangelical who puts a straight emphasis on self-esteem and feeling good about oneself," said Ron Sider, a professor at Eastern Baptist Theological Seminary. "It's not clear that the full historic Christian affirmation of sin is as clear in his preaching as it might be."

Mr. Schuller is not as politically oriented as such evangelists as Pat Robertson or Jerry Falwell.

The minister finds no irony in growing close to a president whose own sins, real or alleged, have been so thoroughly dissected for the world to examine.

"There are real character accusations against him," Mr. Schuller said, "but you can't pass judgment until they're proved. As a pastor, my job is to help and to heal the hurting person, even if you disagree with him.

"I'm a Christian and Jesus didn't say, 'I love you, if.' Jesus specialized in loving sinners."

Away From Politics

• **Fred Goldman offered to give up** all claims to O. J. Simpson's money if he will sign a confession about the murders of his former wife and Mr. Goldman's son. *(AP)*

• **David Dinkins, the former Democ**ratic mayor of New York City, said he would not challenge Mayor Rudolph Giuliani in the November election. "I'm not running, but I'm not hiding," he said. *(AP)*

• **The Citidel's interim president,** R. Clifton Poole, said he expected some male cadets at the South Carolina military college to face criminal charges in the alleged hazing and harassment of two female cadets. *(AP)*

• **Lawyers began planning** appeals for the two black men who were convicted in the killing of a Hasidic Jew during racial violence in Brooklyn in 1991. They will argue that putting both men on trial together harmed each man's case. *(NYT)*

• **The entire staff of the only shelter** for battered women run by New York City was replaced after investigators found that workers there had sex with the women, used drugs on the job and allowed abusive husbands and boyfriends into the shelter. *(NYT)*

AMERICAN TOPICS

10-4, Good Buddy: CB Radios Enjoy a Roadway Renaissance

A generation after citizens-band radios had millions of people, especially truckers and other drivers, chattering over the airwaves in colorful jargon ("I tried to warn him about that Smokey, but he had peanut butter in his ears"), a revival is under way.

More Americans are finding that the CB is a cheaper alternative to cellular phones. CB sales are up by 70 percent in some areas, and General Motors Corp. now offers them as an option in its new cars.

Latin immigrants now use adapted CBs to call relatives in Mexico, Central America and Cuba, reports the Mercury News of San Jose, California.

A CB and antenna can cost less than $100, and there are no air-time charges or monthly service fees. A basic CB's range is only 5 miles (8 kilometers), but transmissions can span the continent if a radio has "sideband" capacity, which adds 80 extra higher-powered channels, or if an amplifier (which is illegal) is used.

Some people born after the CB craze began a generation ago — sales exceeded 11 million a year at the fad's mid-70s apex — have found the radios to be a low-tech answer to the Internet, offering 39 channels of "chat rooms" where people can converse using names like "California Mama" and "Mr. Big."

After falling below 1 million in sales a year in the early 1990s, sales of CBs are on their way back to 2 million a year, industry representatives say.

Short Takes

Environmentalists and desert lovers say they are angry over an army proposal to buy 331,000 acres (132,400 hectares) of public-access land in the Mojave Desert as a site for extensive war games. Most of the land, northeast of Barstow, California, is managed by the Bureau of Land Management. If the White House concurs and Congress approves the $40 million acquisition, it would be the largest purchase of California desert land in 50 years.

A blind Cincinnati man got more than a broken tailbone when he was struck last month by a pickup truck while crossing a road: He was ticketed for jaywalking.

The accident happened Jan. 22 as Jeff Friedlander, 62, was walking to work and apparently veered out of a crosswalk. The driver of the truck was not charged. Mr. Friedlander said he was going to pay the fine until learning that Ohio law gives the right-of-way to blind people carrying white canes. He now awaits a court hearing. "His jaywalking caused the accident," said a police captain, Robert Biddle. "Yes, you have the right-of-way when you have a cane, but you must be lawfully using the crosswalk."

If you're drawn to America's quirkier side, consider visiting these museums: the American Funeral Service Museum, in Houston, which includes the video "The History of Embalming" and a never-used casket for three; the Museum of Bad Art, in Dedham, Massachusetts ("No velvet Elvises," says a spokesman, "only paintings and sculptures done with serious intent, with some level of skill, until something went horribly wrong"); the Trash Museum in Lyndhurst, New Jersey, where you can walk through a tunnel built of garbage; and the Nut Museum in Old Lyme, Connecticut, which features a 10-foot-tall (3 meter) nutcracker. Admission there is $3. Plus a nut.

International Herald Tribune.

On President's 'To Do' List, New Ambassadors

Compiled by Our Staff From Dispatches

Some of the most prominent and sensitive ambassadorial posts — including Moscow, Tokyo and Seoul — are among diplomatic vacancies President Bill Clinton must fill now that his foreign policy team is largely in place.

Thomas Foley, former speaker of the House of Representatives, is likely to be appointed as ambassador to Japan, the Sankei Shimbun reported Wednesday. Mr. Foley, 67, will be appointed in a few weeks, the newspaper said, quoting congressional officials.

Mr. Foley was also approached to be envoy to London but decided to succeed Walter Mondale in the Tokyo post after considering his wife's opinion and taking into account the better residence in Tokyo, the officials said.

The former speaker was once involved in trade negotiations with Japan, particularly in the agriculture and aircraft sectors. After losing his House seat in 1994, he has been working at a law office in Washington state.

One of the trickiest postings is Moscow, where the government has been semi-paralyzed by the extended illnesses of President Boris Yeltsin and relations are tested by a host of problems, including Russian objections to NATO expansion.

Thomas Pickering quit as ambassador to Moscow last November. It is unclear who will replace him. Among the leading candidates is James Collins, a former No. 2 at the Moscow embassy and now an ambassador at large in charge of the State Department's programs aiding the former states of the Soviet Union.

Among other major ambassadorial posts expected to be filled this year:

• Germany: Vacant since last summer, the post could go to John Kornblum, a career diplomat and the State Department's point man on Bosnia-Herzegovina.

• Britain: William Crowe Jr., retired chairman of the Joint Chiefs of Staff, is expected to leave London this year. A possible replacement is Swanee Hunt, the ambassador to Austria, who was a major donor to Mr. Clinton's 1992 campaign.

• South Korea: James Laney has resigned. He earned high marks for helping manage a complicated relationship with Seoul while keeping an eye on the unpredictable North. John Negroponte, a former ambassador to the Philippines and to Mexico, is said to want the Seoul slot, but no clear favorite has emerged.

The death last week of Pamela Harriman, the ambassador to France, added Paris to the list of vacant posts. Mrs. Harriman had made it known that she intended to leave by summer, so there already has been some jockeying to replace her.

Most often mentioned for the Paris post is Frank Wisner, a career foreign service officer who now is envoy to India. Another possibility is Felix Rohatyn, a Wall Street investment banker and a prominent Democratic Party fund-raiser.

Last week the Senate confirmed Genta Hawkins Holmes as ambassador to Australia, making her the first career foreign servicewoman to head a major embassy.

On Thursday the Senate Foreign Relations Committee is to hold a confirmation hearing on Mr. Clinton's choice of Pete Peterson, a former congressman from Florida and Vietnam prisoner of war, to be the first U.S. ambassador to Vietnam since the Communist nation was unified in 1975.

Representative Bill Richardson was unanimously confirmed by the Senate on Tuesday to be ambassador to the United Nations. *(AP, AFP)*

N.Y. Subway Goes Polite?

Washington Post Service

NEW YORK — Can the behavior of New Yorkers be modified so that they are considerate to each other?

In an attempt to stop some New Yorkers from pushing and shoving long enough for others to get off trains on the busiest U.S. subway line, the Transit Authority has outfitted "platform conductors" in orange vests. It has also assigned a sweet-voiced woman for the public-address system to instruct outgoing riders to keep out of orange boxes — painted in front of each train door — until the incoming commuters have cleared out.

In this Friday's
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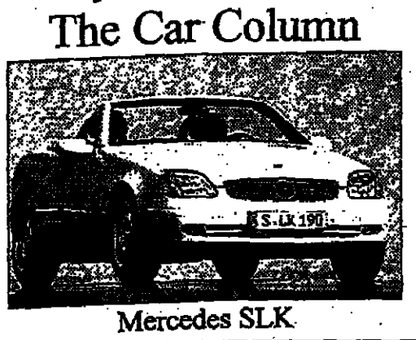

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Herald Tribune
THE WORLD'S DAILY NEWSPAPER

ASIA/PACIFIC

China Seizes Alleged Leader of Riots

Compiled by Our Staff From Dispatches

BEIJING — Police have arrested a member of the Uighur ethnic minority on charges he led a riot last week in the mainly Muslim northwestern region of Xinjiang that left at least 10 people dead and 144 injured, local officials said Wednesday.

The two days of "beating, smashing and looting" in Yining, a city near the Chinese border with Kazakstan, were planned and inspired by "a small number of enemy elements," according to a Xinjiang government spokesman, Liu Yisheng.

The authorities issued emergency notices calling on local officials to fight separatism in the region and warning of severe punishments for rioters.

Government units were ordered to form vigilante squads to guard against possible attacks by separatists in Yining, officials said.

"We are resolved to deal a blow to the handful of ethnic separatist elements," said Zhang Youlian, deputy director of the foreign affairs office for the Yili Kazakh Autonomous Prefecture, which administers Yining.

Most of those who were beaten were Han Chinese, Mr. Liu said. Han make up the vast majority of China's total population, but represent only 38 percent of the population in Xinjiang, where the majority are Uighurs and other Muslim, ethnic Turkic groups.

The police arrested Abudu Heilili, 29, and were interrogating him, a local Communist Party official said. Mr. Heilili underwent "ideological education," the official said, after being labeled the ringleader of another, less violent anti-Chinese demonstration in Yining in August 1995.

The official account did not fully correspond with earlier ones from local police and pro-independence exile groups. One of those groups claimed that more than 300 people died.

The government confirmed that protesters had been arrested, but would not say how many. One Yining police officer said the police fired warning shots to disperse the crowd and arrested as many as 500 people.

But some residents said Wednesday that Communist officials had already tried and executed Uighurs in the region, following the arrest of more than 1,000 people during and after the clashes Feb. 5 and 6.

"The trials began on the sixth," said one Yining resident, who is not Han Chinese, "and six ringleaders were executed the same day."

Yusupbek Mukhlisi, leader of the United Revolutionary National Front in Almaty, the capital of Kazakstan, said Tuesday that 30 Uighur activists had been executed on Feb. 7.

But a local police administrator, Ma Shiqiang, confirmed the riots Tuesday, accusing an illegal Islamic sect of inciting the violence.

A spokesman for the region's Communist Party committee, who gave only his surname, Zang, said about 100 Uighur youths started the rioting by marching outside Chinese-owned shops, shouting pro-independence slogans and praise for Allah. The crowd grew to 600, he said, and some protesters burned cars and threw rocks and sticks. *(Reuters, AP, AFP)*

Loan Scandal Rattles Seoul Cabinet

Agence France-Presse

SEOUL — Prime Minister Lee Soo Sung hinted that the whole South Korean cabinet could resign as Home Minister Kim Woo Suk stepped down Wednesday after being summoned as a suspect in the widening Hanbo scandal.

The home minister and South Korea's former ambassador to Beijing, Hwang Byung Tae of the governing New Korea Party, were to be questioned "as suspects" in the scandal, which has engulfed officials close to President Kim Young Sam.

The flagship companies of the Hanbo group, South Korea's 14th-largest conglomerate, were declared bankrupt on Jan. 23 with debts of nearly $6 billion.

Senior Prosecutor Choi Byung Kook hinted that both Mr. Kim and Mr. Hwang were headed for arrest in the scandal, which has focused on high-level political pressure on bankers to extend big loans to Hanbo without collateral.

"In connection with the preferential loans to Hanbo, Hwang and Kim will be summoned as suspects," Mr. Choi said.

Mr. Lee expressed remorse over the scandal in a cabinet meeting and made an offer to "take responsibility," suggesting that a mass resignation by the cabinet was possible, the Yonhap News Agency said.

Yonhap quoted Mr. Lee as saying government officials "must always be responsible to the people and that their administrative and ethical responsibilities are no less important than legal responsibility."

But those remarks did not mean he would step down, his spokesman said Wednesday.

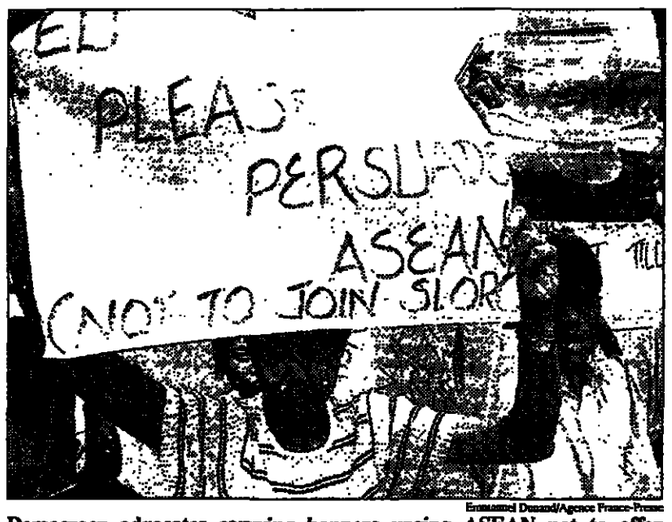
"Lee offered to take responsibility for the current situation," a senior aide said, "but he did not say he will resign."

Mr. Hwang, the former ambassador, now heads the National Assembly's influential finance and economic committee. He and the home minister, Mr. Kim, are the president's close confidants.

The home minister is suspected of accepting bribes from the head of Hanbo, Chung Tae Soo, when Mr. Kim was construction minister in 1994.

Prosecutors on Tuesday had arrested two senior aides who are members of Mr. Kim's inner circle on charges of taking bribes for helping provide loans to the failed banking group.

They were the first politicians to be arrested in the stormy Hanbo scandal, which has already left the group's founder and two major bank heads behind bars pending trial.



Emmanuel Dunand/Agence France-Presse

Democracy advocates carrying banners urging ASEAN not to offer membership to Burma demonstrating in Bangkok on Wednesday.

Two Issues Block EU-ASEAN Pact

Reuters

SINGAPORE — Moves to deepen ties between Europe and Southeast Asia stalled Wednesday over Burma and East Timor, delegates said, as officials from the European Union and the Association of South East Asian Nations could not agree on wording for a final declaration that indirectly deals with the two issues.

The biggest topic of debate on Wednesday was Burma, which has been promised ASEAN membership along with Laos and Cambodia. The human rights group Amnesty International said Wednesday that political repression and rights violations in Burma last year reached their highest levels since the suppression of a popular uprising at the end of the 1980s.

Officials said the fight between Portugal and Indonesia over East Timor was another major stumbling block.

BRIEFLY

Reveil Ciomez/Agence France-Presse

IN THE SWIM — President Fidel Ramos of the Philippines, left foreground, taking a dip with cabinet members on Wednesday. He invited journalists to poolside to disprove rumors that he had suffered a stroke.

Tokyo Aide Critical in Bullet Use

TOKYO — The U.S. military's inadvertent firing of uranium-tipped bullets near Okinawa could cause "fissures" in relations with Japan, the chief government spokesman, Seiroku Kajiyama, said Wednesday.

Mr. Kajiyama also berated the Foreign Ministry for not swiftly notifying Okinawan authorities about the mishap, adding that he sympathized with Okinawan anger at what he said was the latest in a series of mishaps and misdeeds by U.S. forces stationed there.

The Foreign Ministry was informed by U.S. authorities of the firing of the 1,520 bullets on Jan. 15, but did not inform Okinawan authorities until Monday. *(Reuters)*

Sri Lanka Nominations Rejected

COLOMBO — Sri Lanka's ruling party suffered a serious blow when the nomination papers of its candidates for elections to the capital's municipal council were rejected Wednesday, officials said.

The papers from the governing People's Alliance were not in order because they had included two candidates below the voting age of 18 to contest seats in Sri Jayewardenepura-Kotte, officials said.

Officials said lists of the opposition had also been rejected in at least one urban council in the central province but no further details were provided. Elections are due in March for 238 local government bodies. *(AFP)*

Nanjing Victim Testifies in Tokyo

TOKYO — A Chinese woman who says she was raped, stabbed and left for dead during the Japanese Army's 1937 Rape of Nanking (Nanjing) wept as she told a Tokyo court Wednesday of her ordeal and demanded compensation.

Liu Xiuying, 79, is one of 10 survivors of the massacres in Nanjing who are demanding 100 million yen each ($813,000) in compensation from the Japanese government. Nanjing was sacked by Japanese troops, who executed 300,000 people within a few months between late 1937 and early 1938, according to Chinese accounts. *(Reuters)*

Hong Kong Importance Stressed

LONDON — Foreign Secretary Malcolm Rifkind, beginning a weeklong trip to Southeast Asia, said Wednesday that Hong Kong would remain "of vital importance" to Britain after the territory's is transferred to the Chinese.

In a speech in Singapore, the text of which was released in London, Mr. Rifkind said: "At the midnight stroke on June 30, Britain's relationship with Hong Kong will change. But it will not end.

"Our deep commitment to Hong Kong will remain," he added, "as a matter of political and moral obligation to Hong Kong people, to the 3 million who still hold British passports." *(Reuters)*

Burmese Groups Mark Holiday

RANGOON — Burma's military rulers and the opposition led by Daw Aung San Suu Kyi held separate events Wednesday to mark the 50th anniversary of Union Day, signaling that political divisions still run deep in the multiethnic nation.

The National League for Democracy called for tripartite talks between the ruling State Law and Order Restoration Council, various ethnic groups and pro-democracy forces to build national reconciliation.

Prime Minister General Than Shwe, in an apparent reference to the democratic opposition and its Western supporters, urged ethnic groups to rise up and crush elements out to disturb Burma's progress. *(Reuters)*

For the Record

A total of 5,150 Communist rebels have been granted amnesty by the Philippine government over the last three years, said Alfredo Tadiar, chairman of the National Amnesty Commission. *(AFP)*

President Suharto, at a ceremony marking Indonesia's press day, warned the news media Wednesday not to imitate foreign press "values" in covering events in Indonesia. *(Reuters)*

A Japanese court sentenced Hiroyuki Okada, 33, a former Aum Shinrikyo cult member, to four years in jail Wednesday for attempting to mass produce deadly sarin nerve gas and concealing guns. *(AFP)*

The use of young women as compensation payments by tribes in Papua New Guinea is illegal and must be abandoned, a national court judge has ruled. Judge Salamo Injia said the practice was "unlawful, unconstitutional and repugnant to the principles of humanity." *(Reuters)*

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EUROPE

Chechen President Takes Oath Vowing to Push for Freedom

Reuters

GROZNY, Russia — Chechnya's first post-war president, Aslan Maskhadov, took office Wednesday, pledging to realize the dream of independence for which his ancestors and contemporaries fought Russia.

Mr. Maskhadov, a former Soviet artillery colonel who led separatist rebels against Russian troops sent to crush them in December 1994, also promised to strengthen Islam and fight a crime wave in the shattered region.

"Now it's the duty of each and every one of us to realize the expectations of our ancestors, our heroes fallen in the holy war, of the right to live freely and independently," he said to rebels and Russian representatives in the capital.

"For hundreds of years our nation was not allowed to live freely, to be master of its country," he said. "Killed when they wanted to kill, burned when they felt like it, labeled 'bandits' when they felt like it, deported when they felt like it."

Behind Mr. Maskhadov on the stage of the assembly hall stood leaders of the rebel force that humiliated the Russian military in fighting that killed tens of thousands of people and left many more homeless.

Alexander Lebed, former security adviser to President Boris Yeltsin of Russia, sat in the audience with Ivan Rybkin, now the secretary of the Russian Security Council.

Mr. Lebed signed a peace deal with Mr. Maskhadov in August, agreeing to withdraw Russian troops. The Chechens, conquered by czarist forces more than a century ago and sent en masse to internal exile in Central Asia by Stalin during World War II, now seek independence.

But Moscow, fearing separatism elsewhere on its vast territories, insists that the region is a part of the Russian Federation and will not discuss sovereignty for five years. Foreign governments, unwilling to anger the Kremlin, would also balk at diplomatic recognition.

Security was extremely tight at the ceremony, with hundreds of armed men packing the hall and others crowded on the street outside.

"In the name of the prophet born in Mecca I swear to be an honest servant of the people and a slave of Allah," Mr. Maskhadov said in his oath of office, adding, "Comrades-in-arms I thank you for your goodness."

When he had finished a deafening roar broke out as hundreds of men fired their Kalashnikov rifles into the air, filling the air with the smell of gunpowder.

Mr. Maskhadov promised to bring the myriad of armed groups in the region into line and to protect Chechnya's Russian population.

"First of all it's necessary to strengthen the Muslim religion, to free the nation from the violence and mockery of criminal elements," he said.

"To that I will direct all my efforts. A state cannot consider itself free whose citizens are in constant fear of their lives."

Zoran Bozicevic/The Associated Press

TENSE MOSTAR — A French soldier with the NATO force searching a resident of the Bosnian city after more Muslims were evicted from the Croatian-held side.

Belgrade Opposition Wary

Election Victories Now Law, but Rallies Continue

Compiled by Our Staff From Dispatches

BELGRADE — A law reinstating election victories by the opposition that President Slobodan Milosevic of Serbia had annulled formally took effect Wednesday with its publication in the official government gazette.

The law was approved Tuesday in a special session of Parliament that was boycotted by most opposition parties.

But the opposition parties remain wary because the law reinstates their victories in municipal elections Nov. 17 on the basis of provisional results compiled by local election commissions.

The opposition, fearing fraud because these commissions are usually controlled by the governing Socialist Party, wanted the law to reflect results from raw voting data collected at polling stations.

This way, the opposition parties say, they will not be cheated out of any extra seats they might have coming once they take power.

The parties also say that 12 weeks of pro-democracy street rallies will continue until the opposition has actually taken power in 14 disputed cities, including Belgrade, and in 8 neighborhood assemblies of the capital.

For administrative reasons this could take up to two weeks.

The passage of the law, at Mr. Milosevic's behest, was welcomed with caution by Britain and Germany, which said they would carefully watch how it was carried out.

But riding the wave of popular discontent and skeptical of Mr. Milosevic's goodwill, opposition leaders are now facing a choice of whether to call off the street protests and take their battle into institutions.

The neo-communist Yugoslav United Left Party, a hard-line partner in the governing coalition, warned against moves to topple the government by the street protests.

The West has cautioned Mr. Milosevic against using force against the peaceful demonstrators and urged him to open dialogue with his rivals, notably on the issues of access to the news media.

In return, leaders of the opposition coalition are reported to have promised the West that they would cease testing Mr. Milosevic's patience on the streets once their victories were reinstated.

The West has retained severe sanctions against Belgrade, barring access to desperately needed foreign capital until it improves its human-rights record and shows genuine commitment to democracy.

Starved for cash, with wages and pensions running late in an election year, Mr. Milosevic has repeatedly promised reforms. But few among the opposition believe these reforms will occur.

In line with Mr. Milosevic's promise of quick reforms, the Serbian Parliament approved a new cabinet Tuesday, but opposition leaders dismissed the reshuffle as cosmetic.

Among the changes was the appointment of Milan Beko to head a new ministry that will begin the privatization of the huge, financially ailing state sector of the economy.

(AFP, Reuters)

Swiss Government Opts To Set Up Fund for Jews

The Associated Press

BERN — The Swiss government Wednesday formally agreed to set up a special fund to compensate victims of the Holocaust.

However, it held back from committing itself to any government contribution to the fund.

The decision follows an announcement by Switzerland's three biggest banks last week to contribute 100 million Swiss francs ($71 million) to such a fund.

Foreign Minister Flavio Cotti said at a press conference that the federal council had resolved finally to set up and manage a humanitarian fund that would include the banks' contribution and be open to further payments from other parties.

First, he said, the fund would be established and negotiations carried out with industry and Jewish organizations to decide the exact purpose and recipients of the money.

The second step would be to set up a foundation that could include donations from the government and the Swiss National Bank. Any government contribution, Mr. Cotti stressed, would depend on preliminary findings of investigations into Swiss banks' wartime dealings, expected this summer.

It was most likely that the fund would be used to support humanitarian projects to aid destitute Holocaust survivors and their offspring, he said.

BRIEFLY

Bulgaria Sets Date for Elections

SOFIA — President Petar Stoyanov swore in the mayor of Bulgaria's capital as the caretaker prime minister on Wednesday, and set new elections for April 19.

The appointment of a new government brought an end to two years of rule by the Socialists, the former Communists, that proved an economic disaster for Bulgaria.

Stefan Sofiyanski, a popular 45-year-old economist, has built a solid reputation for governing Sofia despite Bulgaria's economic troubles. His interim government must help build a foundation for Bulgaria to end hyperinflation and a sharp drop in living standards. *(AP)*

Kremlin Attacks NATO Chief

MOSCOW — The Kremlin condemned Wednesday a tour of former Soviet republics by the NATO secretary-general, Javier Solana Madariaga, accusing him of pursuing a hidden agenda to undermine Moscow's influence.

A Kremlin spokesman, Sergei Yastrzhembsky, told Interfax news agency, "The West in general and the NATO leadership in particular opposes any sort of integration of the newly independent state-republics of the former Soviet Union — especially when the impulse comes from Moscow." Mr. Solana arrived Wednesday in Armenia, following visits to Moldova and Georgia. He was to end his tour in Azerbaijan. *(AFP)*

Kohl Says He's in Good Health

BONN — Chancellor Helmut Kohl on Wednesday dismissed suggestions that he was in poor health and that this might have influenced his decision to wait before deciding whether to run in the 1998 general election.

Mr. Kohl, 66, told the newspaper Bild, "Thankfully, I am in very good health." The news weekly Der Spiegel said that Mr. Kohl had undergone treatment for a prostate condition four times in the last seven years. Mr. Kohl said he had not undergone surgery since his prostate operation in 1989. "Since then I have been going to regular check-ups with very satisfactory results." *(Reuters)*

Yeltsin Needs 15 Days to Recoup

MOSCOW — President Boris Yeltsin is still "somewhat weak" after his bout of pneumonia and he needs at least 10 or 15 more days to recover, Itar-Tass news agency quoted a heart surgeon, Renat Akchurin, as saying.

Mr. Akchurin, who carried out a multiple bypass operation on Mr. Yeltsin in November, said the pneumonia posed no risk for Mr. Yeltsin's heart. *(Reuters)*

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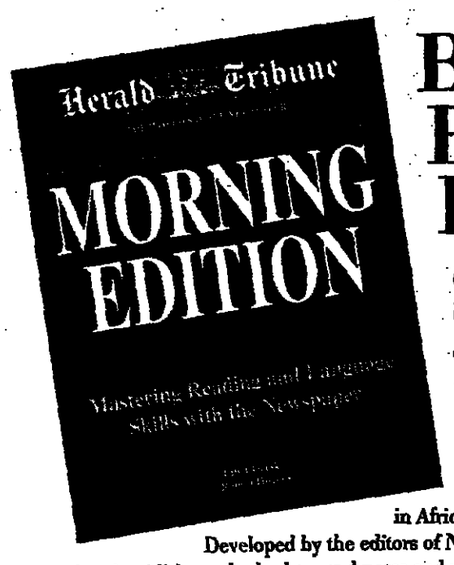

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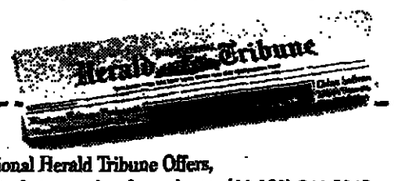

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INTERNATIONAL

Crash Revives Debate on Lebanon

Israelis in Dispute on Unilateral Withdrawal From Buffer Zone

By Serge Schmemann
New York Times Service

JERUSALEM — The disastrous collision last week of two Israeli helicopters ferrying soldiers to southern Lebanon has revived a sharp and sometimes bitter debate over whether Israel should unilaterally withdraw from its self-proclaimed buffer zone there.

Cutting across party and ideological lines, the debate has dominated television talk shows, newspaper editorials and parliamentary sessions.

Advocates of withdrawal argue that the buffer zone, set up in 1985, is no longer needed, since other ways are now available to block infiltrators and since the Hezbollah guerrillas based in Lebanon can, and have, fired rockets across the zone. They say Israel's presence gives Syria a pretext for maintaining pressure on Israel by backing the guerrillas.

Those who favor keeping the zone argue that withdrawing without a comprehensive agreement with Syria and Lebanon would only bring Hezbollah and hostile Islamic militias right up to the Israeli border.

Curious new alliances have taken shape — the U.S. ambassador, Martin Indyk, has agreed with Prime Minister Benjamin Netanyahu that a unilateral pullback is unwise, while former intelligence chiefs have joined with West Bank settlers and leftist politicians in arguing that it is the best thing to do.

The conservative Jerusalem Post gave the notion of withdrawal a cautious nod. The liberal Ha'aretz came out against it, although one of its columnists, Yoel Marcus, proclaimed Lebanon to be "Israel's little Vietnam" and said that the buffer zone had turned into a Frankenstein's monster, "devouring its inventors."

Though last week's disaster, which killed 73 soldiers, was evidently an accident, the victims joined about 400 other soldiers who have been killed as a direct or indirect result of maintaining the 14-kilometer-wide (nine-mile-wide) zone.

Despite the furor of the debate and the mounting toll, the notion of a withdrawal does not seem to have much popular support so far. In a poll published Tuesday in the daily Ma'ariv, 79 percent of those questioned said they opposed a unilateral withdrawal.

One factor may be the popular perception that "unilateral" means unconditional, even though advocates of a withdrawal insist that any pullback be accompanied by arrangements on the security of northern Israel.

While last week's disaster was the catalyst, the growing sense that a peace agreement with Syria is not likely soon has given the debate impetus. Under the former Labor government, a settlement in southern Lebanon was usually viewed as an integral part of a deal with Syria, which then seemed within reach.

Reviving negotiations with Syria is expected to be at the top of the agenda this week in Washington as Mr. Netanyahu holds talks with President Bill Clinton and Secretary of State Madeleine Albright.

Mr. Netanyahu visited Israeli positions in northern Israel on Tuesday and said, "It is impossible to advance peace between Israel and Syria if an indirect war against Israel is being waged here." Shortly after the visit, Israeli warplanes launched a series of attacks deep in Lebanese territory, their first major sortie outside the buffer zone since last April.

Some Israelis believe that the U.S. resistance to a unilateral withdrawal is based on the fear that such a move would set back the search for a comprehensive peace with Syria and Lebanon.

But the premier advocate of withdrawal, Yossi Beilin, a minister in the previous government, dismissed this as a "crazy argument."

"It's like agreeing to be a victim of Syria, a hostage of Syria, for as long as it doesn't want to make peace with us," he said. Mr. Beilin has often served as the point man for new ideas on ways to reach peace, and it was a meeting he organized with members of the opposition and other officials on southern Lebanon that spurred the debate.

A unilateral withdrawal has also drawn strong support from Interior Minister Avigdor Kahalani, a member of the Third Way movement, which supports peace with the Palestinians but opposes withdrawal from the Golan Heights.

Mr. Beilin's meeting was held Saturday night. And though it was meant to be private, and had been scheduled in advance, the notion of discussing a pullback so soon after so great a disaster drew considerable fire.

But, Mr. Beilin said: "Those who are against a withdrawal believe any timing is wrong. We can't run away from it. This is our reality."

TAKING STOCK — Prime Minister Benjamin Netanyahu examining an M-16 rifle as he met Israeli soldiers on the border with Lebanon. He said peace with Syria was impossible until it reins in Hezbollah guerrillas.

U.S. Admiral Accuses Iran Of Helping Iraq Smuggle Oil

The Associated Press

MANAMA, Bahrain — Skirting Iran's Gulf coast, tankers are smuggling tens of thousands of tons of fuel oil out of Iraq in violation of United Nations sanctions, a U.S. admiral has charged.

The embargo breakers and their Iranian protectors have had two confrontations with the U.S. Navy in the last two weeks, he said. In one unpublicized incident, an unidentified tugboat rammed a U.S. frigate.

"Our indications are that this is a rather sophisticated effort, centrally controlled within Iran," Vice Admiral Thomas Fargo, commander of the U.S. 5th Fleet, said Tuesday at his headquarters in Bahrain.

The "Iran connection" alleged by the admiral is one visible sign of cooperation between the two former enemies in trying to foil American efforts to enforce UN trade sanctions on Iraq.

The main motive is money.

Iraq, desperate to circumvent the embargo, will sell the oil cheap, and a 2,000-ton (980-kilogram) shipment of oil can net $150,000, Admiral Fargo estimated.

Crews of intercepted vessels tell investigators that Iranian authorities are taking a cut of the profits.

"A protection fee is paid to the Iranians that guarantees them safe passage through territorial waters," the admiral charged.

He said that an Iranian Revolutionary Guard maritime station at the mouth of the Shatt-al-Arab waterway that separates Iran and Iraq appeared to be the "gatekeeper" for the illicit shipments.

On Wednesday, however, the National Iranian Oil Company denied that it was helping Iraq smuggle oil, the Iran News reported.

The state-owned company said Iran had not provided Iraq with any facility to smuggle oil in violation of sanctions, the English-language newspaper reported.

"Iran has never ignored the UN embargo on Iraq in the past nor will it do so in the future," it said.

Even businessmen in a country allied with the United States profit from the oil smuggling, Admiral Fargo charged. He said that some smuggled diesel oil eventually is unloaded in the United Arab Emirates.

U.S. Warns Russians on Arming Iran

By Robin Wright
Los Angeles Times

WASHINGTON — The Clinton administration has issued a diplomatic warning to Moscow about Russian assistance to Iran's missile program — aid that potentially could threaten U.S. troops in Saudi Arabia, several Gulf allies and Israel, senior administration officials say.

Intelligence reports indicate that Russia recently transferred to Iran technology on the Russian SS-4 missile, which has a range almost three times greater than any missile now in Iran's arsenal.

The warning was issued during talks last week between Vice President Al Gore and Prime Minister Viktor Chernomyrdin.

The transfer basically involves detailed instructions on how to construct the weapon's delivery system, U.S. sources said. Israeli officials said the transfer also included some parts for an SS-4 missile.

The SS-4, with a range of 2,000 kilometers (1,250 miles), carries a standard warhead that is equivalent to 1.5 tons of TNT. The Soviet Union, however, once loaded the missile with a 1-megaton nuclear warhead.

Mr. Chernomyrdin denied that Moscow had authorized transfer of the giant missile, administration officials said.

Administration officials are speculating about whether the technology could have been transferred to Iran from cash-strapped former Soviet weapons producers or complexes.

"How it happened is still a gray area," a senior administration source said. "One possibility is that it was beyond the control of government."

A Middle East source said, "The Russian government may not support such an export but they don't do enough to stop it." He added, "They are not monitoring what is leaving their country."

Iran's acquisition of the SS-4 is being interpreted as a new indication that Tehran is actively seeking a nuclear capability, according to administration sources and regional experts.

"A missile of that size and accuracy could only be lethal or used effectively with a nuclear weapon or a biological weapon of near nuclear lethality," said Anthony Cordesman, co-director of the Middle East program at the Center for Strategic and International Studies.

GERMANS: *A Conspiracy of Silence*

Continued from Page 1

idea what kind of people would be coming here. It was terribly unwise to think foreigners could live here. We have no supermarket, no jobs for them to do.

"But I would call it a fear of crime rather than of foreigners. If you wanted to bring some Bosnian women and children here, that would be O.K. But not a bunch of Gypsies or Africans who would do nothing but steal and cause trouble."

Thomas Oste, the owner of a flower shop who lives next to the ruins of the resort, has admitted making several large cash payments to Mr. Jackowski to carry out the arson and to buy his silence.

He told police he could not bear the thought of living next to the asylum-seekers and said he had found a lot of sympathy for his feelings in the village. He said several of his friends had been happy to help him gather the explosive materials and find people — Mr. Jackowski and a skinhead friend named Renato — to set fire to the resort.

But a number of other questions could steer the case in more controversial directions, police and prosecutors acknowledge. Investigators say it is unclear where the florist got the cash to make the payoffs. They note also that a deputy to then-Mayor Ute Preissler has been accused of assembling the gasoline bombs used in the attack.

According to court records, Mr. Preissler strongly supported a proposal made by a Berlin real-estate executive, Lothar Poetschke, as a means of blocking the alien influx. Mr. Poetschke offered to pay $600,000 for the resort complex with the idea of building a medical rehabilitation clinic that Mr. Preissler believed would greatly bolster the village's fortunes.

When a local petition drive favoring the proposal failed and Brandenburg state authorities refused to rescind their decision to establish the asylum-seekers' residence, Mr. Preissler grew agitated, court records show. According to court testimony by Mr. Poetschke's secretary, Mr. Preissler phoned the real-estate agency a day before the arson attack and demanded urgent action.

"Those foreigners must not be allowed to come; we have to do whatever is necessary to stop them," the mayor was quoted as saying.

In an interview, Brandenburg's deputy prosecutor, Eugen Larres said that "for the time being, we have no concrete evidence" that Mr. Preissler or the real-estate broker participated in the conspiracy to commit arson. But he said the investigation would scrutinize "all those people who may have possessed a motive" to see the immigrant residence destroyed.

After the arson, Brandenburg state authorities relocated the asylum-seekers who had been due to come to Dolgenbrodt.

The Dolgenbrodt saga illustrates the persistent risk that fear of foreigners, in a Europe where unemployment is high and rising, will spin out of control.

Algerian Army Said to Attack Rebels in Capital

The Associated Press

ALGIERS — Security forces fired hand-held rockets at an apartment building in central Algiers on Wednesday, killing at least five people, witnesses said.

The government, which has waged a five-year campaign against Islamic militants, would not immediately confirm the attack.

One witness, who spoke on condition of anonymity, said soldiers surrounded the building at midnight Tuesday and exchanged gunfire with unidentified people inside for about eight hours before calling on the inhabitants to evacuate.

Minutes later, they attacked an apartment on the sixth floor of the building with several hand-held rockets. It was not clear who the soldiers were firing on, but more than 60,000 people have been killed in attacks by Muslim militants and in actions by Algerian security forces since the insurgency began.

During the Muslim holy month of Ramadan, which ended last weekend, a wave of massacres and car bombings attributed to the militants killed more than 300 people and wounded hundreds more.

ZAIRE: *A War by Serbs, Ukrainians, Hutu and Even Zairians*

Continued from Page 1

so Rwandan refugees as they could, separated out the young Hutu men and machine-gunned an unknown number. The others were simply allowed to go.

Senior army officers gave separate accounts of the "confession" of a captured rebel sentinel whom they identified as Matthieu Bafanga. They said he told them two days ago that he had been paid $450 to gather information on the movements of Hutu refugees through east-central Zaire.

There are as many as 300,000 Rwandans stranded in Zaire. Most are ordinary men, women and children, but it is widely believed that there are also thousands of former Hutu militiamen and soldiers. Many of these people already risk death from starvation, dehydration and disease, but for their pursuers, that is not enough.

"The goal of the Rwandan government, and the reason they have supported this rebellion, is that they are determined to exterminate the Hutu fighters for fear that one day they will come back for revenge," said a longtime European resident who once fought as a mercenary here and maintains contacts in the war zone.

The rebellion began with a group of Tutsi who have lived in Zaire for centuries. Since then, Laurent Kabila, a lifelong rebel from faraway Shaba Province, has assumed leadership and successfully expanded the force to include other traditional enemies of Marshal Mobutu, Zaire's longtime dictator.

If the insurrection, which has made impressive gains in recent days, has become a bid for outright power by Mr. Kabila, it also remains a continuation of Rwanda's civil war in a new theater.

And for the embattled Zairian government, led for 31 years by Marshal Mobutu, who is simultaneously fighting advanced cancer, this war is most of all a desperate struggle to hang on to power.

At the airport here — where the grim Serbian trainers were sweating profusely through their attempts to train Zairian commandos, who often have no clue how to use the new weapons — an officer made no attempt to minimize the army's problems.

"The enemy is hitting us in so many places that it is very difficult for me to say where the front is," said Lieutenant Colonel Nufuta Kasonga, who traced a spider web of rebel movements with his finger on a map. "The entire east of the country is affected, and they seem to be able to push wherever they want to. What I can tell you is that there is no way that an African rebellion could achieve all of this by itself."

Colonel Kasonga, like the political authorities in the capital, Kinshasa, insists that Mr. Kabila's rebels have been heavily assisted by the armies of Rwanda, Uganda and, to a lesser extent, Burundi. In recent days, Washington has officially come around to this view, publicly warning those countries to stop destabilizing Zaire.

While some Zairian officers spoke with determination about eventually winning a war that they knew they were losing, others, who insisted on anonymity, were far more grim. "There is a grand complicity between the people in most of these areas and the rebels," said one senior officer, who shrugged as he spoke of the long odds of his cause.

"We don't get any intelligence from them, and many of them are hunters who have no problem picking up weapons against us.

"After what the government and the army have done to the people in this country, who can blame them?"

War Crimes Tribunal On Rwanda Assailed

Reuters

UNITED NATIONS — Two years after its creation, the Rwanda war crimes tribunal suffers from mismanagement, unqualified staff and neglect from New York headquarters, according to a new UN investigation.

The report, released Wednesday, sets out in detail financial abuses and mismanagement in the administrative apparatus as well as apparent legal chaos in the prosecutor's office set up to investigate the 1994 genocide in Rwanda.

Some of the complaints emerged several months ago, and both Kofi Annan, the UN secretary-general, and his predecessor, Boutros Boutros Ghali, have made personnel changes. But the report called for further "substantial" changes.

The tribunal, in Arusha, Tanzania, has indicted 21 people. The first trial is under way against Jean-Paul Akayesu, 43, the former mayor of Rwanda's Taba commune, charged with inciting the public to slaughter and ordering killings.

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INTERNATIONAL

Ecuador Congress Bars Acting President and Elects Alarcon

By Diana Jean Schemo
New York Times Service

QUITO, Ecuador — The National Congress has elected an interim president of the nation for the second time in a week — this time after some constitutional maneuvering intended to keep him in the job.

The acting president, Rosalia Arteaga, who was elected vice president, resigned after being barred from the congressional vote.

Legislators elected Fabian Alarcon by a vote of 57 to 2 in what appeared to be the product of overt political deal-making rather than popular pressure, unlike the session Thursday, when legislators declared the elected president, Abdala Bucaram, "mentally incompetent." Hundreds of thousands of people throughout the country had been clamoring for his removal, and the National Congress voted to replace him with Mr. Alarcon.

The next day, Ecuador briefly had three people claiming the presidency: Mr. Alarcon, Mr. Bucaram, who had barricaded himself in the presidential palace, and his vice president, Ms. Arteaga. But the military arranged for Mr. Bucaram to step aside, Mr. Alarcon to return to his congressional position and Mrs. Arteaga to take over as interim president while Congress drafted rules for succession.

Mr. Bucaram headed Tuesday to Panama, his refuge for several years in the 1980s after he was charged with corruption when he was mayor of Guayaquil.

Mrs. Arteaga, who had come to address Congress before it voted to replace her, found the door shut to her as the first bars of the national anthem were being played.

"There is no democratic regime," she said, and returned to the presidential palace where she resigned and returned to the position of vice president.

Noting that when other presidents were killed, their vice presidents took over as a matter of course, she blamed political "machismo" for her fate and condemned what she called the "political bazaar" of egotism and ambition in Congress.

She threatened to publish a book revealing the offers and threats she said she had received in the last few days, and called for a nationwide vote to elect a new president.

In a country where political ambitions wear only the flimsiest of disguises, members of Congress said they were looking forward to new appointments and public works projects in their districts under an Alarcon administration.

While Congress took no immediate action to amend the constitution, the resolution voting Mr. Alarcon back into the presidency required amendments to legalize his appointment within 95 days.

Because a two-thirds majority is needed to amend the constitution, and 57 of the 82 members of the National Congress voted for the resolution to install Mr. Alarcon, by implication, the legislators made the election constitutional, officials said.

BRIEFLY

Anti-Mine Meeting

VIENNA — Experts from more than 100 countries gathered in Vienna on Wednesday for talks on outlawing anti-personnel mines, despite hostility from major mine producers to a total ban on the deadly devices.

The three-day conference received a late boost as delegations from India, Pakistan and the Arab League arrived after the closed-door talks had opened, according to Thomas Hajnoczi of Austria, the chairman of the conference. *(AFP)*

Stakes on Rushdie

TEHRAN — An Iranian religious foundation on Wednesday raised its reward for the death of Salman Rushdie, the British author, but President Hashemi Rafsanjani quickly distanced his government from the move.

The Khordad-15 charity foundation said it was raising the bounty for anyone who would kill Mr. Rushdie by $500,000 to a total of $2.5 million. *(AFP)*

Focus on Basques

MADRID — The Spanish Supreme Court set to work Wednesday to examine secret files purporting to prove that the former Socialist government set up death squads to wage a "dirty war" against Basque separatists.

The court's 33 judges are studying the spy documents under high security to see if they might be used as evidence in court. *(Reuters)*

For the Record

A Mexican judge freed Claudia Rodriguez, who was accused of fatally shooting a man who tried to rape her, in a case that spurred an outcry on women's rights. *(AP)*

Peru and Rebels Agree On Form of Future Talks

By Calvin Sims
New York Times Service

LIMA — The Peruvian government and Marxist guerrillas have begun preliminary negotiations to end the 55-day hostage siege at the Japanese ambassador's residence here.

The government's negotiator, Domingo Palermo, and the deputy chief of the Tupac Amaru rebels, Rolly Rojas, agreed Tuesday on the structure of future talks and said they would continue at a date to be scheduled.

They met for four hours in a house opposite the residence where the guerrillas are holding 72 hostages. The rebels were then escorted back to the residence.

Later, the Canadian ambassador to Peru, Anthony Vincent, read a brief statement from the two sides. "Today we began the preliminary conversations," it said. "We have approved the procedure to follow future conversations and we have agreed to continue talks at a date to be established."

[No date was announced Wednesday, Agence France-Presse reported from Lima, as heavily armed police officers maintained a cordon around the residence and hostages were seen cleaning a terrace in shorts and T-shirts.

[Japan welcomed the talks, Reuters reported from Tokyo. A Foreign Ministry spokesman said the government hoped "the talks will pave the way for the start of full negotiations so that the incident can be solved peacefully, and the hostages freed early."]

President Alberto Fujimori, who was attending an economic development conference in London, said just before the talks that he was hopeful they would pave the way for a peaceful end to the hostage crisis. "Now that these conversations are beginning, I would say that there are elements that give us a certain optimism."

But the president maintained his hardline position that the government would not meet demands by the guerrillas for Peru to free their imprisoned comrades.

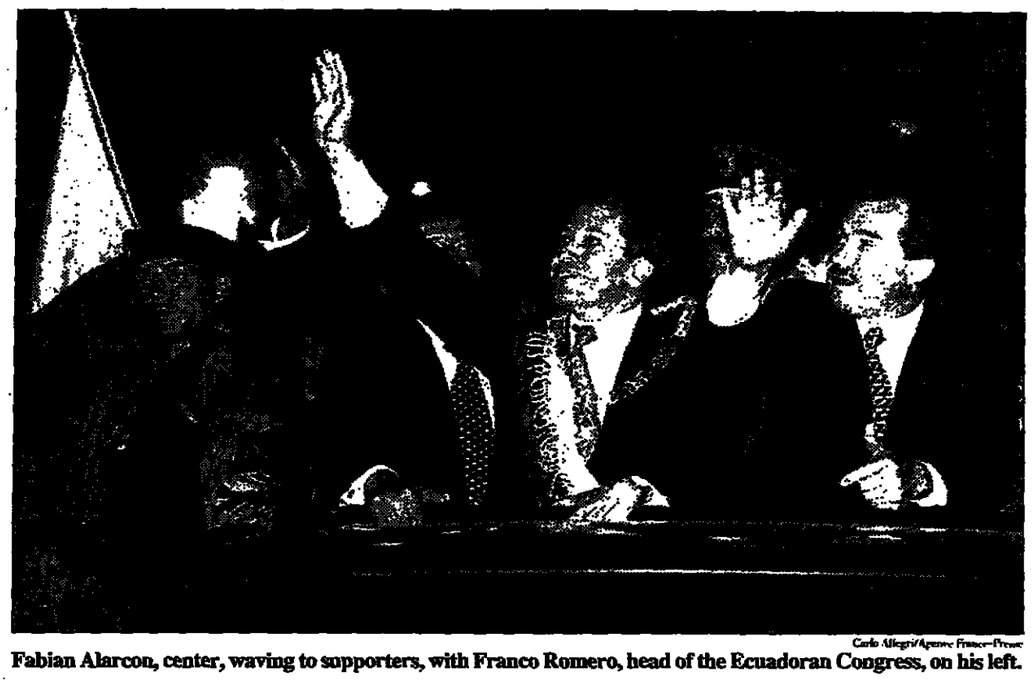
Government officials said that the preliminary talks were intended to set an agenda and a timetable for definitive negotiations, which may be conducted with Nestor Cerpa Cartolini, the rebel leader.

The two major issues on the agenda at Tuesday's talks, the officials said, were the possible release of jailed guerrillas, who are part of the Cuban-inspired Tupac Amaru Revolutionary Movement, and where the hostage-takers might take asylum after freeing their hostages.

The talks took place under heavy security, with hundreds of policemen armed with automatic weapons surrounding the residence.

The Red Cross, which has assumed responsibility for the security of the talks, erected a huge Red Cross flag at the house where negotiations are being held and installed a metal detector at the entrance.

The commission of guarantors, which took part in Tuesday's talks, included Michel Minnig of the Red Cross; Ambassador Vincent; Japan's ambassador to Mexico, Terusuke Tarada; and Bishop Juan Luis Cipriani.



Carlo Allegri/Agence France-Presse
Fabian Alarcon, center, waving to supporters, with Franco Romero, head of the Ecuadoran Congress, on his left.

U.S. to Allow CNN in Cuba

The Associated Press

WASHINGTON — The Clinton administration will allow CNN to open a bureau in Cuba and let nine other news organizations follow suit if Havana approves, an administration official said Wednesday.

The official said U.S. permission for the bureaus will be extended to: CNN, The Associated Press, ABC, CBS, Univision, The Miami Herald, Dow Jones News Services, Cuba Info, the Chicago Tribune and the Sun-Sentinel of Fort Lauderdale, Florida.

The decision is part of an effort by officials in Washington to spur democratic reforms in Cuba by opening the flow of information between Havana and the United States.

It is also a break in decades of long-standing U.S. policy to isolate Fidel Castro's Communist regime.

A Foreign Ministry official in Havana said CNN was the only U.S. news organization authorized so far by Cuba.

WTO: *China Ponders Easing Some of Its Trade Restrictions to Join Global Organization*

Continued from Page 1

Clinton's administration say they believe that China — in part to engage the United States on a subject other than human rights and arms sales — may have decided to put entry into the club of trading nations at the top of its agenda.

The United States can effectively block the entry of any country into the trade organization by arguing that its plans for open markets do not meet the group's requirements.

"They didn't think we were serious about it last year because of the election," a Clinton administration official said.

"I think they now believe that we will not stand in the way of their entry to the WTO on political grounds if their offer is sufficient." Many in the administration hope a deal to open China's economy will be the centerpiece of Mr. Clinton's first trip to China, which is to take place late this year or early in 1998.

But there are many obstacles ahead, officials say.

They say China's leadership appears deeply divided on whether joining the World Trade Organization, which China has been seeking to do for some years now, is worth the high price.

Some of its leaders, they say, fear that any deal that weakens China's already uncompetitive state-run industries could result in widespread unemployment and political instability.

Meanwhile, the United States, Japan and the European Union themselves are doing a delicate pirouette around the rules of entry, each worried that the other could gain some kind of political advantage in dealing with the world's biggest emerging market.

According to negotiators, here is what Chinese officials said they would agree to do during a recent round of talks intended as a preview for more formal negotiations starting in Geneva on March 4:

• They would eliminate, over time, the requirement that foreign companies building factories in China export the vast majority of their output. Companies such as Fruit of the Loom Inc., the U.S. underwear maker, are required to export 70 percent or more of their output; electronics companies are often required to export even more. It is unclear how quickly China would phase out such requirements or whether individual contracts with companies might still require such exports.

• They would phase out rules requiring foreign companies to bring large amounts of foreign currency into China and keep it there, requiring them to "balance" their foreign trade — meaning to export more goods than they import — and requiring high levels of "local content" in goods made in China.

• They would scrap laws that bar many foreign companies from freely trading in China. For example, American food producers such as Cargill Inc. are required to buy their wheat through China's state-run trading agencies, rather than importing it directly.

In each of these areas, the scope of the concessions China is offering cannot be measured until it has filed its proposed wording of an "accession agreement" in Geneva.

That process is expected to begin next month, and it will touch off a worldwide negotiation — one in which Europe, Japan and the United States have differing agendas.

China has not yet submitted data to the trade organization that would quantify its subsidies to state-run industries.

One complexity in this negotiation is that American officials and their allies are uncertain how much power the chief negotiator — Wu Yi, China's trade minister — actually holds.

She has managed to push through smaller agreements, including one last year that led to a continuing crackdown on piracy of foreign-produced software, music and videos. But accession to the World Trade Organization is a far bigger and more politically sensitive undertaking.

"The mystery," one American official said, "is, at what point does the top political leadership get involved to make the hard decisions?"

GISCARD: *Include Italy and Spain in Launch of Euro, He Urges*

Continued from Page 1

including Italy and Spain among the first wave of nations to launch the euro, Mr. Giscard d'Estaing stressed that "the treaty of Maastricht is very clear in saying that countries have to meet the target before January 1999."

He added: "It is only for practical purposes that we have to decide in the spring of 1998 on who joins, and that is in order to create a European central bank on time.

"The difficulty will be those counties that in 1997 will not meet the criteria, but that obviously will meet them by January 1999. The trend will have to be very clear, and the numbers solid, but at that point we may have a solution."

He proposes that there could be a discussion among government chiefs in the spring of 1998 "about the trend, and then a decision in principle could be made."

"It could be a conditional acceptance," he added, "with the implementation delayed until they meet the criteria, and that could be January 1999, or a few months later."

Mr. Giscard d'Estaing, 71, also described a series of conversations he said he had had with Mr. Chirac before his call last November for a new parity between the franc and the dollar.

"I spoke with Mr. Chirac last summer several times about this issue, and he said I was right about the idea of a stronger dollar, but he thought it would be very difficult to manage. He thought there were insurmountable obstacles. He thought the arguments advanced by our monetary authorities here — namely that we had no room to act by ourselves in the field of interest rates or exchange rates — were impossible to overcome."

Mr. Giscard d'Estaing said he had written "three long letters" to Mr. Chirac on the subject. "He knew in advance that I would make my comments about the franc last November in the magazine L'Express. I informed him of the substance of the statement I would make last November. I didn't submit my statement for his approval, but I acted on my own behalf and I tried to avoid any contradictions with French policy."

Mr. Chirac's spokeswoman, Catherine Colonna, said the president "was informed this summer by Mr. Giscard d'Estaing about his thinking on monetary questions. Naturally, Mr. Giscard d'Estaing is solely responsible for his proposals."

The dollar-franc level, which on Wednesday stood at 5.68 francs to the dollar, was now "appropriate," said Mr. Giscard d'Estaing. "We are in a good target zone. The exchange rate is very important, and it was underestimated by the French authorities. Last November, when I spoke of the exchange rate, all the establishment was against me. Now the Group of Seven says the same thing I said."

When asked to say if there was sufficient political leadership in Western Europe at present, Mr. Giscard d'Estaing did not hesitate. "Clearly no, with the notable exception of Helmut Kohl, who has a definite vision of the future of Europe."

He said that today's European political leaders "are addressing the problems as they come."

"They are all embattled," he said, "and the public perceives this. The last great conceptual period in Europe was the 1970s, and it was the period of European unity. Since then there has been stagnation. Since then leaders have not been able to propose a new vision."

Commenting on French monetary policy, he said, "We need good Franco-German coordination in monetary policy, but that does not mean we need identical policies.

"There is no reason for French interest rates at present to be higher than German rates. I think French interest rates can and should be reduced to the same range."

STORES: *U.S. Megaretailers Tailor Outlets to Chinese Tastes*

Continued from Page 1

Still, as a middle class with big buying power emerges, many foreign retailers are opting to take the risk. Wal-Mart opened its first "superstore" in China last August in Shenzhen, one of the country's most prosperous "special economic zones," across the border from Hong Kong. On the outskirts of the city is another first in China, Wal-Mart's companion store Sam's. It offers shoppers even more of the American "warehouse store" feel.

China is also home to Vanguard, Pricesmart and other big retailers. But as the megastores rush for a share of the Chinese market, they are learning that what works on Main Street U.S.A. doesn't always translate here.

At Beijing's Pricesmart store, for example, the company designed two huge loading docks that could accommodate full-sized trucks, in anticipation of the big deliveries needed to keep shelves stocked. But they found that many of their Chinese distributors were far smaller in scale, arriving with goods in car trunks, on three-wheel pedicabs or strapped to the backs of bicycles. A smaller dock had to be added for bikes.

"It's amazing what you can put on one of those three-wheeled bicycles," said Brian Meyers, marketing director at Pricesmart.

Correctly interpreting Chinese customs also provides a formidable challenge to the Western retailers. Wal-Mart once made the mistake of ordering large quantities of paper towels and disposable diapers. "Most people here didn't know what a paper towel is," said Mr. Hatfield. As for the diapers, he said, "It's a very expensive luxury when you stop and think about it."

Right Guard deodorant and shaving products don't sell because they are priced at four times what they would cost in the United States. But electronics — including televisions and stereos — turned into a big business. Auto parts don't make it, but rice cookers and American cosmetics are in high demand.

The megastores had to take into account the limited storage space in the tiny apartments common even in the more affluent Chinese cities. That means huge American-sized packages and cases are out; smaller, compact sizes are in.

Transport is also a problem for many Chinese, who often walk or bicycle to the store — which limits what they can carry home. But in Beijing, Mr. Meyers of Pricesmart said, "If the price is right, they'll find a place to store it, and they'll find a car to get it there."

Perhaps the strangest thing for these executives was learning to cope with China's rapidly changing business climate, where personal connections matter more than business plans, and where rules are often a matter of interpretation.

"If you come in with a hard sell, it doesn't matter how good your logic is," said Roy Rawers, Pricesmart's merchandising director. "It doesn't matter what the law says. What matters is what the guy behind the desk interprets the law to say."

BONUS: *For Wall Street's High Flyers, It's Time to Buy (and Buy)*

Continued from Page 1

restaurants there are numerous signs of a return to luxe. New York magazine recently published a buying guide to custom goods, which included "basic" dress shirts for $190 and shoes made from hand-carved lasts of Canadian maple for $1,350.

There is much discussion on Wall Street of how the prosperity of the late 1990s differs from that of the often vulgar '80s, the era of "greed is good," when many thought the party would last forever. Now many Wall Streeters say they are spending bonuses less flamboyantly, investing for the long term in the knowledge that what goes up also comes down.

But in bonus season, when 25-year-old Masters of the Universe roam the city, ordering $12 martinis made with Ketel One vodka at the Four Seasons Hotel bar and $125 tasting dinners at Nobu in TriBeCa, self-restraint can be hard to find.

Dan Rubin, who had parked his Acura NSX-T sports car outside Steven Kessler Motor Cars recently, entered the showroom of bright red Ferraris and sleek Lotuses with his fiancee and said, "We're looking for something more fun."

Mr. Rubin dropped out of Princeton in 1994 to found Rubin Investors Group, a private company that had a banner year, he said, thanks in part to betting on the Internet. "I trade big positions in small companies and terrorize the chairman," he said with assurance. Besides shopping for a new car, he had just bought a ski house at Stratton Mountain, Vermont.

Many on Wall Street, of course, are not making extravagant sums.

Only about 1,500 in the top tier of traders, analysts and investment bankers take home more than $1 million in total pay, according to compensation experts.

At the top, the nearly 200 partners of Goldman, Sachs & Co. made $4 million to $8 million apiece, according to people at the firm, although much of it is reinvested in the firm until they leave. Alan Greenberg, chairman of Bear Stearns & Co., which had a record year for profit, made $18.8 million in 1996, according to the company.

The bonus system is deeply ingrained on Wall Street.

"In a five-minute meeting, they give you a piece of paper with a number on it," explained an analyst at a major investment bank, who spoke on condition that neither he nor his firm be identified. "It's awesome. In some cases it's five, six or seven times your salary, your whole year in one payment. Since many people on Wall Street derive psychic pleasure chiefly from their earnings, it's a lot more significant than, say, a schoolteacher finding out she got a 3.5 percent raise. It is the score."

Most investment banks promote a culture of extreme discretion, playing down any flashy displays of wealth. Even in a Champagne-popping year like the most recent one, when Wall Street's total profits were a record $12.5 billion, bonuses are discussed only tersely, in a kind of code. "Are you happy?" one Wall Streeter will say to another. "Yes, I'm happy," the colleague will reply.

Many Wall Streeters declined to speak publicly about bonuses. In part that is a measure of the industry's traditional conservatism. But it is also a reaction to the late 1980s, when Wall Street was scorched by recession, as well as by public opinion, which tagged its players as money-hungry Gekkos after the character popularized by Michael Douglas in the movie "Wall Street."

"You still don't have the ugly behavior of the '80s," said an equity trader at a major house who spoke on condition of anonymity.

"People have all been sobered by the layoffs and entrenchment in the business. Everybody knows we made a lot of money, but it's 'When is it going to end?' rather than 'This could go on forever.'"

KOREAN: *North's Top Theoretician Seeks Asylum in South*

Continued from Page 1

member of the party's central committee since 1970.

The defection of one of North Korea's ruling cabal offers a rare opportunity for South Korean and U.S. intelligence officials to learn about the true situation inside the sealed and isolated nation, which some believe is on the brink of a potentially disastrous collapse. And it offers an unprecedented opportunity to learn about Kim Jong Il and the small circle of underlings who control one of the world's largest militaries.

"He knows the deep inside story of the Pyongyang leadership, which we will be able to hear for the first time," said Mr. Izumi, who said he had had five long, face-to-face discussions with Mr. Hwang during his many visits to North Korea.

China is supposed to be one of the four parties to talks to negotiate a formal end to the Korean War. As a country that was long shut off to the outside world and which has now flung open its doors, China was expected to act as an intermediary between the isolated North and other countries. It remains unclear how this incident will affect those talks.

Many observers, particularly in South Korea, fear that the severe food shortages in North Korea have caused widespread instability in North Korea and fractured Kim Jong Il's control over hawkish military leaders. Some military planners and diplomats say they fear that North Korea's increasing desperation over food could lead it to some last-ditch military invasion or strike at South Korea.

Seoul responded cautiously to Mr. Hwang's defection, taking care not to unnecessarily antagonize either Pyongyang or its allies in Beijing. South Korean officials in China said they would work closely with Chinese officials to move Mr. Hwang to Seoul.

There was little open gloating among government officials as foreign, defense, unification and national security ministers held an emergency meeting to discuss how to handle an issue that has surely infuriated North Korea.

"This is big, big news here," said a senior government official. "He's the most important theoretician of juche, which is the foundation of the whole country. This will have enormous, tremendous impact on the North Korean people if they find out he has defected."

If North Koreans are dumbfounded by the defection, they would be justified: Mr. Hwang's resume as a North Korean ideologue has been impeccable until now. "He's a communist to the backbone," said the South Korean official.

Mr. Hwang, a thin, silver-haired man with glasses, was the keynote speaker at a reception at a Tokyo hotel last week marking Kim Jong Il's 55th birthday, which is Feb. 16. He delivered his speech standing before large portraits of Mr. Kim and Kim Il Sung. When he finished, he raised his glass and led the crowded ballroom in a toast to the two leaders.

Mr. Hwang left his wife, two sons and two daughters behind in Pyongyang.

Steve Mufson reported from Beijing.

EDITORIALS/OPINION

Herald INTERNATIONAL Tribune
PUBLISHED WITH THE NEW YORK TIMES AND THE WASHINGTON POST

A Bad Idea for Russia

President Boris Yeltsin's prolonged illness is sparking talk of constitutional change in Moscow. The scheme is to avoid an election in the event of his death, allowing those now in or near power to retain their comfortable positions. Some Americans are enamored of this proposal as a way to promote continuity. In fact, though, it's a bad idea that would undermine democracy and, very likely, stability as well.

Mr. Yeltsin has effectively been unable to begin the second term that he won by election seven months ago. Heart disease, then major cardiac surgery and now what is being described as pneumonia have kept him from work. Although Kremlin officials say Mr. Yeltsin will be able to meet President Bill Clinton at a late-March summit meeting in Helsinki, the Russian leader is not governing in any meaningful sense. His spokesman Tuesday acknowledged that "the rehabilitation goes rather slowly" and cautioned that "we should not expect a speedy return to the Kremlin." Meanwhile, the country drifts.

This debilitating absence has raised, first, the question of when and how a leader should be declared incapacitated. The Russian Constitution provides no precise answer. Some Russian parliamentarians have tried to initiate a process that would throw Mr. Yeltsin out of office as unfit, but the majority is wisely not ready for such a step. The president was elected in a fair and free election, and he may yet recover to serve out the remainder of his four-year term.

If he does not — if he should die in office — Russia's constitution calls for the prime minister to serve as acting president for not more than three months and to call new elections. Here is where Moscow's mandarins start to get sweaty palms. Polls show the frontrunner in an election would be retired general Alexander Lebed, whom those now in power portray as a dangerous would-be dictator. Rather than let him take power, they argue, the constitution should be amended to allow Prime Minister Viktor Chernomyrdin to serve out Mr. Yeltsin's term.

We share many of the qualms about Mr. Lebed; his recent refitting as an incorruptible reformer who can rescue Russia from its miseries is unpersuasive on many grounds. But those qualms certainly do not outweigh objections to short-circuiting Russia's young democracy. For one thing, it's not clear that the likely alternatives are so far superior. Mr. Chernomyrdin has not proven particularly adept, and Mayor Yuri Luzhkov of Moscow is more bombastic in his nationalism than Mr. Lebed. More to the point, many of those who fear Mr. Lebed enjoy privileged and corrupt access to Russia's riches, access that Mr. Lebed might cut off.

If Russians want to switch back to a vice-presidential system, the change should take place in the next term, and not be designed to save particular people's jobs or thwart particular ambitions. Even Russians who legitimately fear Mr. Lebed can't justify destroying Russian democracy in order to save it. U.S. officials and businessmen should refrain from encouraging such a development.

— THE WASHINGTON POST.

Spooky Prospect

President Bill Clinton's economic report, issued this week, contains a good description of the problems that the budget issued last week fails to resolve. Chapter 3 is called "Economic Challenges of an Aging Population." The story is familiar. In about 10 years, the first of the baby boomers will begin to retire. "Without changes in policy, the costs of government programs that provide the elderly with retirement income and insure their health and nursing home care" — Social Security, Medicare and Medicaid — "will rise rapidly." At the same time, revenues to pay those costs "are likely to be pinched somewhat, because the number of people working — and paying taxes — will be growing more slowly."

By the year 2050, the costs of just these programs are expected to more than double, from the current 9 percent of gross domestic product to about 19 percent. "By contrast," the report notes, "federal revenues have historically been around 18 percent of GDP. Hence, absent any changes, expenditures on Social Security, Medicare and Medicaid could consume all government revenues by 2050 and exceed them thereafter."

It's a spooky prospect, and the report goes on to warn against delay in addressing it. The longer you wait, it says, the more interim debt you build up and the greater the ultimate interest cost you have to pay. In addition, any reform "adequate to the problem will need to be phased in gradually, to allow citizens time to adjust their personal financing plans accordingly." We'd add a third consequence: The longer you put off cutting the cost of these mainly middle-class programs while trying at the same time to balance the budget, the more disproportionate the pressure you put on other programs and parts of the population. We think particularly of the programs for the poor.

Yet the budget, for the most part, does put off such action. The people who wrote the economic report were hardly unaware of that.

They ask in effect that the president be cut some slack because these things have to be done in stages. The government was running an insupportable deficit when he came to office; he cut it substantially with the budget he pushed through Congress in his first year. "The next task is to complete the work of (near-term) deficit reduction," as the president's new budget proposes. Then will be time — and time enough, the report suggests — to "make the hard decisions within a bipartisan process and with full awareness of the difficult trade-offs they imply."

We think the president's backing off; they say he's not. We'll see. In the meantime, as the report observes, "many of the key elements of any solution are already known." It mentions a number of them, though mostly in non-committal terms and with the sort of care you might expect from such a report to point out their likely adverse as well as advantageous consequences — those "difficult trade-offs."

One interesting notion is that future Medicaid costs might be reduced by somehow requiring or inducing more people to buy long-term care insurance. You could require such insurance or give people greater inducements to buy it, through the tax code, for example, or by saying that a person who ended up having to turn to Medicaid but had some insurance could keep more of his assets than a person who had none. The president has meanwhile proposed a kind of floating cap on future Medicaid spending. The trick would be to keep a cap from cutting health care for the poor. A device to shift some of the cost of long-term care to the private insurance system might help achieve that.

— THE WASHINGTON POST.

Other Comment

Israel in Lebanon

Israel continues to pay a heavy price for its military presence in the 440-square-mile "security zone" it maintains in southern Lebanon. In the last three years nearly 70 Israeli soldiers have been killed there in a shadowy war with Hezbollah, the Iranian-supported Party of God. This toll more than doubled last week when two Israeli helicopters collided over northern Israel, killing 73 soldiers bound for southern Lebanon. The troops were being moved by air precisely to avoid Hezbollah's roadside bombing ambushes.

Prime Minister Benjamin Netanyahu, leading the national mourning for the victims, vowed that Israel's policy in Lebanon would not change. In fact, most Israelis seem eager for a change that would end Israel's mini-occupation, if effective security arrangements can be made. That condition remains the key obstacle.

Few Israelis are ready to support a unilateral withdrawal from south Lebanon, fearing that doing so would only invite increased cross-border attacks on Israeli civilians. But at a minimum, last week's air disaster ought to prompt a comprehensive policy reappraisal, including an examination of alternatives. Hezbollah is conducting a war of attrition against Israel, and it's one Israel can't win.

— Los Angeles Times.

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Editor for Asia: Michael Richardson, 5 Canterbury Rd., Singapore 0511. Tel. (65) 472-7768. Fax: (65) 274-2334. Mng. Dir. Asia: Rolf D. Krumpholz, 50 Gloucester Rd., Hong Kong. Tel. 852-2922-1188. Fax: 852-2922-1190. Gen. Mgr. Germany: T. Schlüter, Friedrichstr. 15, 60323 Frankfurt/M. Tel. +49 069/71200-0. Fax: +49 069/71200-30. Pres. U.S.: Michael Connon, 850 Third Ave., New York, N.Y. 10022. Tel. (212) 752-3890. Fax: (212) 755-8785. U.K. Advertising Office: 63 Long Acre, London WC2. Tel. (171) 836-4802. Fax: (171) 240-2254. S.A.S. au capital de 1 200 000 F. RCS Nanterre B 732021126. Commission Paritaire No. 61337.
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The Presentable Face of France's Extreme Right

By William Pfaff

PARIS — The extreme right in France demonstrated a sizable gain in strength last weekend, but also a change in character, and the latter is much more interesting than the former.

The National Front won a clear-cut victory (52.4 percent of the vote) in the runoff of a municipal election in Vitrolles, a soulless "new town" of 39,000 near Marseille. Vitrolles' now is the fourth town hall held by the National Front, which has found its strongest support in southern French towns and cities where immigrants are numerous and unemployment is high.

Nationwide, support for the National Front is around 15 percent, but in the 1995 presidential election the party won nearly a third of the working-class vote and a quarter of the unemployed vote. This populist appeal was confirmed by the Vitrolles result.

The party demands preference for French nationals over immigrants in jobs, housing and social services and would review all naturalizations of immigrants since 1974 (which, if attempted, would probably be thrown out by the courts). However, the racist motivation for supporting the National Front is undoubtedly less important than socioeconomic anxiety.

The successful National Front candidate was Catherine Megret, wife of the second-ranking leader of the National Front, Bruno Megret, himself barred from running for mayor because he had in a previous electoral race spent more than allowed by law.

The ousted mayor, a Socialist, was already accused of mismanagement and scandal, and appeals by the mainstream parties for a "Republican" alliance of government parties with the Socialists against the National Front proved ineffectual. Mr. Megret says that he will be his wife's "counselor" in running Vitrolles.

Mayoralty elections are of peculiar importance in France, where nearly every politician seeks a political base as mayor of some town, an office that he can combine with membership in the National Assembly or some other post of national significance. The present prime minister, Alan Juppe, is also mayor of Bordeaux. France's president, Jacques Chirac, was mayor of Paris until his presidential election.

With four town halls now in their hands, including the big naval port of Toulon, the National Front no longer is dismissed as a phenomenon on the political margin. Yet it remains fundamentally a protest party, with an electorate in part poached from the fading Communist Party.

The discontented vote has in recent years moved rightward, made up largely of working people who believe they are left out of the prosperity of the larger society, yet have its social problems dumped on them and are disdained by France's elites.

An American easily recognizes in Jean-Marie Le Pen, the National Front leader, a French counterpart to the racist-populist American demagogues of a not-so-distant past, such as Eugene (Ol' Gene) Talmadge of Georgia, Theodore Bilbo of Mississippi and George Wallace of Alabama.

Bruno Megret is another matter. He has no real American counterpart. He is an educated man with elitist and racially exclusionary views. He is a graduate of one of the most respected institutions of higher education in France, the Ecole Polytechnique, and did postgraduate work at the University of California at Berkeley.

He held subcabinet posts in French governments during the 1970s and became a member of the central committee of the neo-Gaullist Party, the RPR. He later joined the National Front, where he is still regarded with some suspicion because of this orthodox background. But he has made himself a leading candidate to succeed Mr. Le Pen, who is nearly 70, as head of the party.

His intellectual connections are actually with two rightist groups created in the late 1960s and early 1970s, the Club de l'Horloge (the "clock club" — named for the room with a clock in which its members first met) and the Group for European Civilization Research and Studies (its French acronym is GRECE, French for Greece).

Both are part of a phenomenon known at the time as the Nouvelle Droite (or "New Right," which some American neoconservatives for a time mistook as allies). The Club de l'Horloge is an influential group of intellectuals, academics, officials and businessmen ideologically located somewhere between the respectable nationalist, anti-collectivist and free-enterprise right and the radicalism of GRECE.

GRECE is neopagan, hostile to Christianity and Judaism as religions of "weakness" and "submission," admiring of the allegedly Aryan forebears of warrior Europe, anxious to see European power restored, and convinced that a culturally debased and democratically corrupt United States threatens European civilization (as they conceive it).

Fascism is a slippery term, and applied in the past to the National Front it has been more polemical than politically precise. But Mr. Megret's intellectual antecedents are truly those from which in the 1920s and 1930s Fascism came — remaking populist movements born of post-world war chaos and resentment and economic crisis.

Mr. Megret's practical ambition is to do with the National Front what the Italian Gianfranco Fini has already accomplished with the neo-Fascist National Alliance: to turn a disreputable party of the extreme right into an indispensable ally of the mainstream right.

Mr. Fini now is a major figure in Italian politics. Mr. Megret wants to become the same in France. To do so he has to transform the disgruntled voters of the National Front into an ideological movement.

This is not as simple as he, or others, may now think — but it is not impossible.

International Herald Tribune.
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Italian Vices Turn to Virtues in the Brave New Interknit World

By Thomas L. Friedman

ROME — There is a concern that as globalization knits countries and markets together it will flatten cultural differences, as we're all forced to drink Coke, eat Big Macs and compute on Windows 95. In some ways, this is happening. But in other ways a country's distinct political and economic culture actually becomes more important in this brave new world.

For one thing, as globalization shrinks governments and lowers national boundaries, cultures and societies now interact much more directly. And as globalization gives everyone access to the same information, resources, technology and markets, a society's particular ability to put these pieces together in the fastest and most innovative manner increasingly separates winners from losers in the global economy.

Consider Italy. Italy, in some ways, is the ultimate post-industrial society: It has no government!

Well, just kidding, but the fact is that some of Italy's vices during the Cold War — its weak governments, its epidemic of tax evasion, the penchant of Italians to work around the state rather than through it — have become virtues in this era of globalization, when, as they say, it's no longer the big who eat the small, but the fast who eat the slow.

Italy today is nothing if not fast. In fact, the fastest-growing and single richest region in Europe today is northeastern Italy (the districts of Lombardy and Veneto). There, thousands of small and medium-size Italian entrepreneurs, who are used to operating without state help and often don't pay taxes, have created a beehive of trading companies and small manufacturing operations that have become hugely successful from Slovenia to Singapore.

"Italy is not a computer with a central brain," Prime Minister Romano Prodi explained to me. "It is like the Internet — everyone gives his contribution. If you give some basic rules and infrastructure for this system, its performance will be unbelievable.

"You have 6,000 Italian entrepreneurs in Romania today. You wouldn't know the name of a single one of their companies, but they are all over and very active."

Specializing in everything from eyeglass frames to high fashion, these small Italian entrepreneurs have quietly made Italy the fifth-largest industrial power in the world. Because these Italian companies are small and flexible, they can convert their industries from pasta to shoes very quickly, according to market demands. Says a U.S. official in Rome: "You come to a Frenchman and say, 'I would like some purple cheese.' He will tell you, 'Cheese is never purple.' You come to a German and ask for purple cheese, he will tell you, 'Purple cheese is not in the catalogue, sorry.' You come to an Italian and ask for purple cheese and he will ask you: 'What shade of purple would you like? Magenta?' "

This fast economic culture, which combines a flair for technological and design innovation, a disdain for government, a trading network linked with a diaspora (overseas Italians), individualism and entrepreneurship is hardly unique to northern Italy.

You see similar hot zones in Hong Kong, Taiwan, Singapore and regions of China (plus the overseas Chinese), Israel (plus the overseas Jews) and parts of India (plus the overseas Indians), as well as Korea, Brazil, Argentina and Chile, to name but a few.

So will these hot zones rule the world? Not yet. Northern Italy may look beyond Italy for its markets, but it's still part of Italy. And the Italian state, no matter how weak, was a typical bloated Western European welfare state, which now has enormous debts that someone has to pay off. So it still matters where you live, and what your national economy is doing. Northern Italy can go a long way, but unless the Italian state can downsize, improve its roads and telecommunications and spur research and development, the north will never achieve its full potential.

So culture matters a lot in this new world, but so still do states, and the trick is getting the right balance. For instance, Germany is too much Alan Greenspan and not enough Benetton. Italy is too much Benetton and not enough Greenspan. France is not enough of either. As Lucio Caracciolo, editor of the Italian foreign policy journal Limes, remarked to me, "If we had German infrastructure and Italian flexibility, we would be a superpower."

The New York Times.

The Problem of Little Cyprus Looms Large on the World Stage

By Flora Lewis

PARIS — Cyprus has become a UN metaphor for a conflict that no one can resolve, that drags on forever, but that isn't too troublesome and can be more or less ignored. It's the epitome of expensive "peacekeeping" that never becomes "peacemaking."

But time is running out. Several impending international deadlines could translate into great local trouble if the Cyprus deadlock is allowed to block diplomatic plans. Besides, the Greek Cypriot government seems to have decided that provoking trouble is the only way to attract attention and force the international community to act.

President Glavkos Klerides, who attended the World Economic Forum in Davos last week, denies that he ordered 70 Russian ground-to-air missiles to exercise "leverage." He needs them for defense, he said, pointing to a June 1995 UN report that Turkey has 30,000 troops stationed on the island plus 4,500 Turkish Cypriot soldiers; that it has prepositioned large quantities of military equipment for further reinforcement, and that its warplanes have been overflying at will with no reaction from the United Nations or the British, who own two large air bases there.

But he also notes that the missiles aren't to be delivered for 18 months, that they cost $225 million which he can ill afford, and that the order can be canceled if a settlement is arranged.

Since 1974, when Turkey invaded after a Greek-sponsored coup intended to unite Cyprus with Greece, the island has been hermetically partitioned. There was virtually complete ethnic cleansing on both sides of the line, and a heavenly place settled down in hellish communal hatred. The Turks, 19 percent of the population, control a third of the territory. A UN force, now down to 1,100 from a peak of 2,500, patrols the dividing line that runs through the middle of the capital, Nicosia, but ugly incidents still occur.

When Britain granted independence under the accords of 1960, Greece and Turkey were also named guarantor powers of Cypriot unity and independence. As a result, their own quarrels have reinforced the Cypriot impasse. Many times a diplomatic breakthrough looked possible, but each time domestic politics in Athens or Ankara dashed the hope.

A compromise that might have been achieved locally was repeatedly blocked from outside. Now the danger is that the trouble will be internationalized much further. The European Union has promised to start negotiations for the admission of Cyprus within six months of ending its current conference on internal reform, due at the end of June but likely to be delayed a few months.

Turkish Cypriots — who have proclaimed their own republic in the north, recognized only by Turkey — say Turkey must be admitted at the same time, which simply isn't going to happen. Greece would veto.

Greece also threatens to veto the admission of Eastern European countries to NATO if Cyprus doesn't get into the EU, and Turkey, a member of NATO but not of the EU, threatens the same if Cyprus does get in.

That's only the beginning of a chain of problems that have nothing to do with Cyprus, but that get linked to the conflict. Turkey no longer has the same strategic importance that it had during the Cold War, and Mr. Klerides wants the United States to pressure Turkey to withdraw its troops and back a Cypriot compromise. But other highly sensitive issues are involved, including Turkey's role in opposing Iraq, its Central Asian aspirations and concerns about the rise of fundamentalism in its politics.

What the Cypriot government now seeks is a new, stronger force to replace the UN, preferably a NATO force under American command, which would oversee gradual Turkish withdrawal.

Britain asked President John F. Kennedy to send troops in the early 1960s, and that activist, internationalist Washington said flatly no. In its current mood, the United States isn't likely to react more favorably.

Cyprus isn't really a religious dispute. The Orthodox ethnic Greeks and Muslim ethnic Turks got along well enough historically because of common opposition to Catholic invaders and, after World War II, to the British. Now they lack a common enemy and cannot agree between themselves without outside pressure.

It is essential to relocalize the conflict. For it to be contained, a serious multinational force is needed. And as there is no virtue in waiting for things to get worse, NATO should prepare to act.

© Flora Lewis

Republican Misogyny on Display

By Frank Rich

NEW YORK — In the months since American women deserted the Republican Party at the polls, Republican leaders have dismissed the gender gap as merely a matter of packaging, not substance. Republicans failed "to communicate effectively to women" was the departing party chairman Haley Barbour's rationale for the debacle.

But two weeks ago Selwa Roosevelt, the Reagan administration's chief of protocol, spoke for many of those alienated women when she wrote an open letter in The Washington Post telling Mr. Barbour, "You still don't get it." Noting that she was not a liberal or "much of a feminist," Ms. Roosevelt said she would nonetheless abandon her party as long as it toadied to a far right pushing "certain extremist ideas."

She might as well have saved her breath. In a congressional vote expected this week, the Republicans are again poised to demonstrate just how much they're still in hock to the extremist ideas Ms. Roosevelt decries.

The vote is on what should have been a routine measure to release foreign aid funds for international family planning that were already appropriated by the last Congress. But the Republicans' religious right auxiliary is trying to derail the measure by purporting that it's a "pro-life" litmus test. To vote for family planning, says an ad signed by the Christian Coalition, is to endorse "the Clinton administration's overseas abortion crusade."

The truth, of course, is the reverse. Every study shows that a rise in the availability of contraception leads to a decline in abortions, whether in industrialized nations or the developing world. If the goal of the Republicans is really to eliminate abortions, it should be leading, not opposing, efforts to further family-planning services and sex education.

But the Republican Congress is hell-bent on destroying family planning, at home and abroad; U.S. support for international family planning dropped 87 percent between fiscal year 1995 and 1996, according to a new report by the Rockefeller Foundation.

It isn't hard to see why Republican women like Selwa Roosevelt are appalled by their party's drift at the top. It's one thing for the Republicans to be officially opposed to abortion, as many Americans are, but it's quite another when the party says that its opposition to abortion justifies opposition to abortion-prevention measures like family planning and sex education. Not only is that position inconsistent, but its very hypocrisy reveals the true priority of its adherents.

That priority is not to protect "the unborn" or discourage promiscuity but to keep women from exercising control over their own lives and bodies, even if that means an increase in abortions and endangering their own health.

It's hard to imagine a more blatant or fundamental opposition to the very notion of female empowerment. If the gender-gap-traumatized Republican Party can slickly repackage this misogynist agenda so that it can be sold to moderate American women, corsets and bustles may be in line for a comeback, too.

The New York Times.

IN OUR PAGES: 100, 75 AND 50 YEARS AGO

1897: Poverty's Ills

PARIS — [The Herald says in an Editorial:] The evil now decimating India is evidently not alone the microbe of plague, cholera and small pox: it lies as much in the dreadful physiological wretchedness in which the Hindu population lives. Poverty is the most redoubtable agent for the extension of these epidemics. In order to combat and root them out, a blow must be directed against the microbes and the bad soil in which they propagate so easily. In addition to vaccination and serums, there must be measures of hygiene.

1922: Smuggling by Sea

NEW YORK — A new industry has developed since the new U.S. immigration restriction law became effective. This industry has been responsible for the smuggling into the U.S. of thousands of immigrants across the narrow strip of seas from Cuba. A large number of Chinese, Germans, Spaniards, Austrians, Italians, and Polish and Russian Jews are paying from $100 to $500 each to be landed from the West Indies on the Florida coast. This smuggling is known as "dummy running," to distinguish it from another profitable source of West Indian smuggling called "rum running."

1947: Palestine Dispute

LONDON — Foreign Secretary Ernest Bevin said today [Feb. 12] that the British government would probably have to submit the whole Palestine problem to the United Nations. He told the Arab delegates to the Palestine conference he could see no use carrying the conference any further. The Arabs unanimously said they would like Britain to withdraw from Palestine altogether and let them handle the situation their own way.

OPINION/LETTERS

Federal College Aid? Pass an Exam First

By Robert J. Samuelson

WASHINGTON — The federal government could improve education in an instant at almost no additional cost. It need only require students wanting federal college aid — already $37 billion in loans and grants annually — to pass a test showing that they are ready for college.

Even a modestly rigorous exam would cause students to work harder. Those who passed would be better prepared. Those who didn't would receive a clear message: Students must earn college aid through achievement. It is not an entitlement.

I have made this proposal before and know that its chances of being taken seriously are low. I repeat it to underline the superficiality of President Bill Clinton's "crusade" to elevate education. His plan is classic Clinton: It is full of glorious goals (every student should read at age 8, two years of college should be as common as high school); the details are confusing (there are partial subsidies for school construction and vague "standards" for public schools), and many proposals, if enacted, would worsen what Mr. Clinton promises to improve.

Let's be clear. Public schools are mainly a local and state affair. Federal aid has never exceeded 10 percent of total spending and, at $18 billion in 1994, is recently about 7 percent. Mr. Clinton's plan would mostly add bureaucracy. And it's unclear how the "standards" suggested for reading and math in the fourth and eighth grades would improve schools, because low test scores would carry no penalty.

Where the federal government matters is in higher education. About half of full-time college students get federal aid. Most of the new money in Mr. Clinton's plan (two-thirds of the $70 billion cost between 1998 and 2002) would raise subsidies, in the form of new tax breaks or larger Pell grants.

The aim is mostly political. It is to relieve the anxieties of middle-class families that they can't afford college. Mr. Clinton justifies the new aid as offsetting higher tuition and providing the added education required by a high-tech economy.

Not so. If the tax breaks pass, the benefits will be fleeting because — in the main — colleges will offset them by raising tuition. Even the American Council on Education, the trade group for colleges, lends credence to that. "College prices have continued to rise because the market has been able to bear the increases," it says in an analysis of tuitions. "Most institutions have been able to raise tuitions and still have full classrooms."

From 1980 to 1995, the consumer price index rose 85 percent. In the same period, tuitions for public colleges rose 218 percent at two-year schools and 254 percent at four-year colleges. At private colleges, the increases were 192 percent for two-year schools and 238 percent for four-year schools.

Meanwhile, the proportion of high school graduates going to college rose from 50 percent in 1980 to 62 percent in 1995. Over the same period, the amount of annual federal aid, adjusted for inflation, increased from $25 billion to $37 billion.

Many college students now are ill-prepared and leave. In 1995, 29 percent of freshmen took a remedial course. Only 37 percent of new students at two-year colleges have a degree five years later. At four-year colleges, that's 54 percent.

The latest evidence that college graduates aren't in short supply comes in a book, "Teaching the New Basic Skills" by Frank Levy of the Massachusetts Institute of Technology and Richard Murnane of Harvard. It is true, the two economists write, that the wages of college graduates rose relative to those of high school graduates in the 1980s. Superficially, this suggests a scarcity of people with college-level skills. The reason this is not true, they argue, is that some college graduates are hired for jobs requiring only ninth-grade math and reading skills.

"Doing math at a ninth-grade level means the ability to manipulate fractions and decimals and to interpret line graphs and bar graphs," they write. But companies no longer trust a high school diploma to signify this level of skill because "many recent high school graduates don't have it."

In a new survey of high school students by the Public Agenda Foundation, two-thirds say they could work harder and would do better. "You can just glide through," one said. "They practically hand you a diploma." A test — embodying what we ought to expect from a high school graduate — would check this complacency. It wouldn't touch the best students or the worst. It wouldn't directly affect elementary schools. But it would motivate most high school students who aspire to college.

Mr. Clinton is all for standards, and he criticizes "social promotion" in public schools. But he declines to impose an effective standard or end social promotion at the one place — the door to college — where he might. Students will intuitively grasp the hypocrisy. Will anyone else?

Washington Post Writers Group.

Diversity as a Sales Pitch: How Do You Say 'Crass'?

By Rekha Basu

DES MOINES, Iowa — A woman named Geeta called me the other day. She asked for me by name, which she pronounced flawlessly.

Naturally, I assumed she was the friend of a friend, reaching out through the vast Indian pipeline — maybe even a newcomer to town in need of a connection from back home.

MEANWHILE

But Geeta was not any of the above. She was a sales representative from a major telephone company.

"*Aap Hindi bol tehe?*" ("Do you speak Hindi?") she asked, after identifying herself.

This company has not had any luck winning my business to date. It has sent me check after check — $50, $100 or more — to switch long-distance companies.

It has had various people call with various hard-to-refuse sales pitches. Though I've been polite, I've remained (for reasons I won't bore you with) loyal to another long-distance carrier.

But my resoluteness has apparently not sunk in with this company. Some alert salesperson evidently recognized my name as an Indian one, and decided an Indian-to-Indian pitch was in order.

I do, in fact, speak Hindi, though imperfectly. I love breaking into it with friends. A common language has a unique way of furthering a bond of intimacy.

But frankly, I was not interested in helping this company facilitate yet another sales ploy, having explained to them countless times before that I didn't want to make the change.

So I greeted the question about as warmly as I would any demand for information about my lifestyle and spending habits by an intrusive telemarketing representative.

"You don't speak English?" I responded, ever so patiently.

As someone who advocates making workplaces more multicultural and hospitable to diverse work forces, you might have thought I'd be embracing this kind of thing as the next step in diversity. But it just makes me laugh.

As America grows more multicultural, the one thing that stays the same is the bottom line: capitalism. Everything, even an accent or a name, becomes a sales tool.

This isn't the first time I've been the object of an ethnically targeted sales pitch. Back in New York state I was pursued by at least one Indian insurance seller.

He would leave messages on my machine like, "Hi Rekha, Sanjay," followed by the name of aninsurance company. "Just calling to check in," he would say.

At first the familiar tone of voice puzzled me, since I didn't think I knew any Sanjay.

Of course, he wasn't the only insurance-company representative using the personal approach.

After my son was born and the birth announcement ran in the paper, I learned the extent to which some agents will go to drum up business. I was suddenly getting congratulatory cards and calls from just about every agent in town.

It's not odd for members of any community to try to funnel business to one another. Indians in America patronize Indian real estate agents, travel agents, nannies and seamstresses, for example.

But most people know that this telephone company is a giant corporation, and the mere sound of an Indian sales rep isn't going to inspire great feelings of nationalism.

I do appreciate the company's hiring Indians and members of other minority groups.

And it's not that it isn't fun to hear an Indian accent. I just would have liked it better if it had been a coincidence.

What's more, this company has no way of knowing how many generations away customers with ethnic-sounding names might be from their ancestral homeland, or if they even identify as members of an ethnic group.

Anyway, it wasn't the last time we heard from Geeta.

She called again the following week and got my husband. But by last week it was an Anglo-sounding salesperson calling.

If only I could figure out what language it would take to make them all understand "no."

The writer is a columnist for the Des Moines Register. This comment was distributed by New York Times Special Features.

LETTERS TO THE EDITOR

Poland's Progress

Regarding "Poland's High-Growth Finance Minister Steps Down" (Business/Finance, Feb. 5):

The lack of negative market reaction to my resignation as first deputy prime minister and finance minister should be seen as a sign of the good shape of the Polish economy. I decided to quit my political posts not because of "frequent feuds with the central bank and other leaders" — they will argue with each minister of finance who will follow my path of tough structural and stabilization policies — but due to the fact that my mission had been successfully completed.

I do appreciate that you refer to me as a "high-growth finance minister," because GDP indeed expanded in 1994-96 by more than 20 percent and continues to increase this year by another 6 percent or so. This is based upon strong export and investment growth, which soared during this period by more than 38 percent. Simultaneously, it was possible to reduce inflation by 20 points between December 1993 and 1996 and to decrease unemployment by 3.5 points.

Poland is meeting two fiscal Maastricht criteria, keeping the deficit last year at 2.4 percent of GDP and bringing the ratio of public debt down from 86 percent of GDP in 1993 to below 50 percent in 1997. Poland's membership in the Organization for Economic Cooperation and Development is another factor contributing to further liberalization and integration of our economy.

GRZEGORZ KOLODKO.
Helsinki.

Russian Sensitivities

Alexander Lebed has described NATO's expansion plans as "capricious triumphalism." The alliance's plan certainly *looks* provocative. We should not forget that trouble for Russia came out of Europe on four separate occasions between 1812 and 1941. Nor should we forget that Russia was Britain's only ally for six crucial months in 1941, when the fate of the whole world seemed to hang in the balance. In the battle for Europe, we all owed, and still owe, so much to so many in Russia.

We need to be more sensitive to Russia's sensitivities, and to devise a security scheme that will put Russians' worries to rest. Early talks, as France has suggested, seem eminently sensible.

DAVID MORRELL.
London.

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Yoshifumi Tsuji — Chairman, Nissan Motor Company, Chairman, Environment & Safety Committee, Keidanren, Tokyo : *Keidanren's voluntary action to cope with reduction of waste and CO2 -an approach by Japanese industry.*

David Buzzelli — Vice-President, The Dow Chemical Company, Co-Chair, President Clinton's Commission on Sustainable Development : *Eco-Efficiency - A Competitive edge in the chemical industry?*

Mikail Pozhivanov — Mayor of Mariupol, Member of the Ukrainian Parliament with Olivier Bomsel, CERNA, Ecole des Mines, Paris : *Why is a market-driven economy likely to better manage the environment in former Soviet Block Countries?*

Philip B. Watts — Director of Planning, Environment and External Affairs, Former European Coordinator, Shell International and Chief Executive, Shell Nigeria : *Responding to society's changing expectations: Lessons learned from Brent Spar and elsewhere.*

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with : Brad Allenby (USA), Ruth Frommer (EU- DGXI), Hiroyuki Fujimura (Japan), Dr. Walter Jakobi (UK-Germany), Allan Kupcis (Canada), Corinne Lepage (France), Katsuo Seiki (Japan), Klaus Töpfer (Germany) and others

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Herald Tribune

HEALTH/SCIENCE

TOMORROW: LEISURE

Finding Causes of Impotence

By Robert W. Stock
New York Times Service

NEW YORK — My new doctor told me he was sending over a questionnaire before my appointment. The first page turned out to be a snap: marital status, date of birth, education.

The next few pages were something else again: During sexual activity are you preoccupied about getting and maintaining an erection? How often do you have sexual intercourse or attempt to have sexual intercourse?

Seeing those questions there in black and white gave me pause: What had I let myself in for?

I had called the doctor because I hoped he could help me with a case of creeping impotence. I had my doubts, but I was determined to stop the creep, and that was how I ended up on the doorstep of Dr. E. Douglas Whitehead, a Manhattan urologist. He has no lack of potential patients. Some 30 million American men suffer from partial or chronic erectile dysfunction, as the doctors call it, and the majority are older than 65.

But only 10 percent of impotent men seek medical help. Many assume nothing can or should be done; older men often accept impotence as an inevitable part of aging, which it is not, and buy into the widespread notion that sexuality in the old is distasteful and unnatural.

My generation — I'm 67 — was raised to believe that the performance aspect of sex defined our manhood. Failure would be crushing, unthinkable. We were also told that 90 percent of impotence was psychological. Today, the experts say that the vast majority of impotence in men of any age is organic in nature — a problem with blood vessels or the nervous system.

In men over 65 physical causes are the chief culprit 90 percent of the time. And once the particular physical problem is determined, there are effective treatments available — from vacuum pump devices to self-administered medications. Several more treatments, including pills to be taken shortly before sex, are on the way. The pills, which are still experimental, are likely to change the whole treatment of impotence.

Impotence has a host of possible causes, including high blood pressure, diabetes and prostate cancer, and many of the medications used to treat them.

Dr. Whitehead started me off with a physical exam and blood tests, which eventually showed that my testosterone levels were normal. No patch for me.

Next came a test called the Rigiscan. For three nights in a row, I went to bed wearing a heavy, battery-laden monitoring device strapped to my left leg. Two wires emerged from the monitor, each ending in a loop. I attached the loops to my penis, one at the base, the other at the tip, and then I tried to sleep. Men of all ages have erections during the rapid-eye-movement stages of sleep. If mine were measured at the normal frequency, duration and rigidity, it would mean my main problem was not organic but psychological — something in my head was overriding my body's normal sexual reactions.

A few days later in his office, Dr. Whitehead delivered the verdict. "I'm afraid you had only infrequent erections, and they were poorly maintained," he said.

Then the nerves in my penis were tested and pronounced normal.

The next test called for the penile injection of a drug called alprostadil, which is supposed to stimulate an erection. Then a technician used an ultrasound machine to check the state of the arterial blood flow in my penis. The report: "A certain degree of impairment."

Difficulty with penile blood flow is the most common cause of impotence, Dr. Whitehead said. Then, with plastic models and full-color drawings, he proceeded to explain my options.

Last November a panel of the American Urological Association listed five potential therapies. The three it recommended — and which Dr. Whitehead suggested I consider — are all covered by Medicare and medical insurers.

One approved treatment is a vacuum device that consists of a plastic cylinder that looks like a test tube with a pump attached. The patient places the cylinder over his penis and pumps the air out, drawing blood into the penis and creating an erection. An elastic band is then placed around the base of the penis to maintain the erection.

SURGICAL implants are another option. The third approved treatment is the penile injection called Caverject, which was used as part of my ultrasound test. The self-injected alprostadil relaxes the smooth muscles in the penis and expands the arteries to improve blood flow.

I considered the advantages and disadvantages of each treatment. The surgical implants require no rigmarole — no pumping or injecting. But implants are invasive and subject to mechanical failure (though it is rare). And surgery was more than I was ready to think about. The vacuum pump is simple to use and noninvasive, but it is cumbersome.

I finally chose the Caverject. There are needles, of course, but they are short and fine, and virtually painless.

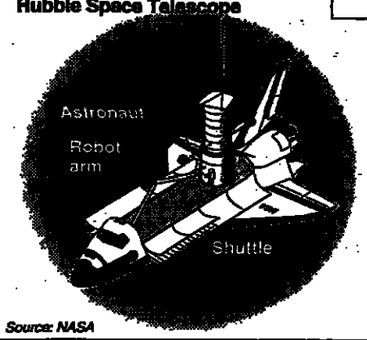
SHUTTLE MISSION

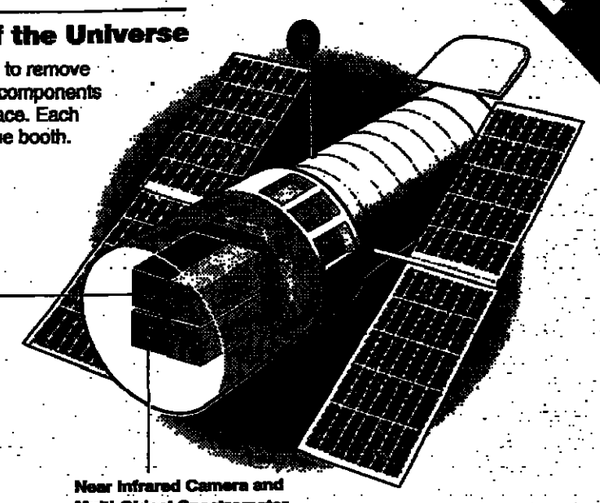
Improving Hubble's View of the Universe

Shuttle astronauts left Tuesday on a mission to remove instrument modules and install replacement components that promise deeper and clearer views of space. Each module is about the size and mass of a phone booth.

Space Telescope Imaging Spectrograph
Improved spectrograph separates light gathered by the telescope into component colors to find chemical composition of more distant objects.

Hubble Space Telescope





Near Infrared Camera and Multi-Object Spectrometer
Expand telescope's vision to different wavelengths, so faint and distant phenomena can be observed, like birth of stars and galaxies and possibly new planets.

Source: NASA

The New York Times

Stargazing: The View From Earth

By Malcolm W. Browne
New York Times Service

NEW YORK — Ever since the reign of Louis XIV, wine bottles manufactured in Paris by Compagnie de Saint-Gobain have been green — and so is the glass from which this old French company cast the 100-inch-diameter (255-centimeter) mirror for the Hooker telescope on Mount Wilson, California.

The quaint wine-bottle color of the 4.5-ton Hooker mirror, which has played a gigantic role since 1917 in humanity's understanding of its place in the universe, reminds its present-day users of the instrument's venerable roots. But the "100 inch," as astronomers affectionately call it, has also become a symbol of a remarkable renaissance in the art of telescope design.

A wave of new techniques based on feedback systems, new materials and mathematics has enabled astronomers not only to build a new generation of far more powerful telescopes but also to rejuvenate older instruments with devices that capture almost every photon of light from distant stars. The Hooker instrument, for example, was consigned to mothballs as a museum piece for eight years, but it has been brought back from the dead as a premier research telescope.

To some extent, astronomy has returned to the ground after three decades in which space-based instruments have often stolen the limelight.

The images and data returned to Earth by the Hubble Space Telescope since its 1993 repair — a comet hitting Jupiter, a storm raging across thousands of miles of Saturn's surface and a nursery where stars are born, for example — have amazed and delighted nonscientists as well as astronomers. Astronauts on the space shuttle Discovery are now on their way to the Hubble, where they are to replace two instruments with more advanced ones, and tune up guidance systems so the telescope will be up to date for further exploration (see graphic above).

And in the last two years, the little Galileo spacecraft has probed the upper atmosphere of Jupiter and sent back pictures that hint of marvels on the giant planet and its moons.

The Cosmic Background Explorer spacecraft of the National Aeronautics and Space Administration revolutionized 20th-century science with its discovery that the microwave echo of the Big Bang is not smooth but speaks of structure even in the earliest epoch of the universe. And a radio antenna dish scheduled for launching this week will work in concert with radio telescopes spread across the United States, Australia and Europe to produce radio images so fine they will be comparable to observing a footprint on the moon from Earth.

While scores of other spacecraft have also captured attention, new technology and refinements in mathematical analysis have paved the way for a newly productive era in ground-based astronomy.

Many of the new ground-based telescopes rival even the Hubble Space Telescope in their clarity of vision, so effectively can their computerized eyes pierce Earth's turbulent atmosphere, which makes stars twinkle and blocks some of the radiation frequencies important to astronomy.

ON every continent, including Antarctica, new ground-based observatories are springing up to complement the work of space-borne observatories, which, by their nature, are expensive and difficult to operate.

Great though the Hubble Space Telescope has proved to be, it took so long to build that since its inception, new technologies have emerged endowing ground-based telescopes with many of the advantages of those operating in space.

These new technologies include powerful computers, new telescope mounts, better observatory designs, feedback systems that squelch the distortive twinkling of stars, interferometers capable of simulating telescopes the size of the entire Earth, special glass mixtures that resist deformation while undergoing temperature changes and much more.

Even NASA, which traditionally supports space science, now has a mandate to support ground-based telescopes.

For example, the space agency will contribute some $15 million for accessory instruments to be used with two privately built Keck telescopes in Hawaii — the world's largest — and is supporting projects at several other ground-based observatories.

The success of observatories like the Keck has led astronomers to forecast the imminent dawning of a golden age of astronomy. Questions that scientists once considered beyond the reach of observation may soon find at least partial answers. Among them are these:

- Is there life — or are there at least habitable planets — beyond the solar system?
- How much does the universe weigh, and what are the unseen substances that seem to make up much of its mass?
- How does the force of gravity relate to the three other known forces of nature: the strong and weak nuclear forces and electromagnetism?
- What mechanism created galaxies and large-scale structure in the universe soon after the Big Bang creation event?
- What, exactly, are mysterious things like quasars and gamma-ray bursters?
- How will the universe end?

Dr. Frederick Chaffee, director of the Keck Observatory in Hawaii, ascribes great importance to the search for extraterrestrial life and habitable planets outside the solar system.

"The human spirit yearns to know whether we are alone," he said, "and the impetus to look for extraterrestrial life is not just a product of the media and politicians. For the first time in history, we have the tools to address this great question scientifically."

Prostate Study Lacks Volunteers

By Gina Kolata
New York Times Service

NEW YORK — It is one of the most important medical problems facing men over 55: what is the best way to treat early prostate cancer, the second leading cause of cancer death in men?

Should it be treated aggressively, with a therapy like radical surgery, which can leave men impotent and incontinent? Or should it be left alone and monitored to be sure its growth does not suddenly accelerate?

But scientists who are trying to get a definitive answer to this question are finding that it is excruciatingly difficult. A clinical trial, in which men with prostate cancer would be randomly assigned to surgery or to careful monitoring, was begun three years ago by the Department of Veterans Affairs in collaboration with the National Cancer Institute. The goal was to enroll 1,050 men by this year. Instead, said Dr. Timothy J. Wilt, the study's director, who is at the Minneapolis Veterans Affairs Medical Center, only 315 have been enrolled.

The reason is that men do not want to let someone else decide on whether they have surgery, said Dr. Joseph Oesterling, the chief of urology at the University of Minnesota. Dr. Oesterling said that he had asked about 300 men with newly diagnosed prostate cancer whether they would like to enter the study and that only four agreed. And, Dr. Oesterling added, he cannot blame them. After all, these men are facing a deadly disease. But few of them, he said, want to have their treatment determined by a coin flip.

And yet Dr. Oesterling and other doctors agree that the trial was central to the fervent debate about what to do about prostate cancer. As many as half of all American men in their 60s are now being screened for the cancer with a blood test, called PSA, for prostate specific antigen. An estimated 317,000 will be found to have the disease this year and 48,000 will die from it.

Many are treated with surgery, a radical prostatectomy, that removes the prostate gland. Although the operation leaves many men impotent and incontinent, surgeons argue that removing the cancerous gland saves lives.

But skeptics note that prostate cancer tends to occur late in life — 95 percent of all prostate cancer patients are older than age 55 and the typical patient is in his 60s — and the cancer tends to grow very slowly. It might never spread and cause a problem in a man's lifetime, in which case surgery might be unnecessary. But sometimes it grows rapidly, metastasizing and killing. In those situations, surgery might come too late — the cancer might already have spread by the time cancer is found and the gland removed.

And so the veterans agency and the cancer institute began their clinical trial. "There is no other way to know if surgery prolongs life," said Dr. Timothy J. Wilt, the director of the study and an associate professor of medicine at the Minneapolis Veterans Affairs medical center. And, Dr. Wilt added, at this point, "selecting a treatment is really a best guess."

But Dr. Oesterling and several other leading surgeons say it is already too late for the study. People have made up their minds about treatment, though with less than perfect evidence. "This clinical trial that everyone is so interested in, I can assure you that it will never happen unless there is an act of Congress saying that every man who wants to get treated must enroll," Dr. Oesterling said. "Men come in with very definite opinions. They do not want to be guinea pigs. They want to be in control."

Too Much of a Good Thing: Is Low-Fat Diet a Recipe for Diabetes?

By Denise Grady
New York Times Service

NEW YORK — People who eat lots of potatoes, white bread and white rice in the mistaken belief that it is the best way to follow a low-fat diet may be doing themselves more harm than good.

A steady diet of such foods may actually be a recipe for diabetes, according to a study by Harvard researchers in The Journal of the American Medical Association.

The study, which tracked 65,173 women for six years, found that those who ate a starchy diet that was also low in fiber and drank a lot of soft drinks had two and a half times the rate of diabetes found in women who ate less of those foods and more fiber, or roughage, specifically, more fiber from whole-grain cereals. Information about diet came from surveys filled out by the women as part of the 20-year-old Nurses' Health Study project.

The starchy, low-fiber diet increased the diabetes risk in all the women, independent of other risk factors like age, obesity, exercise and family history. In separate research to be published soon, the scientists have found a similar effect in men, said the study director, Dr. Walter Willett, a professor of epidemiology and nutrition at the Harvard School of Public Health.

The study participants who became diabetic developed the most common form of the disease, non-insulin-dependent diabetes, which has also been called adult-onset or Type II diabetes.

The treatments for this type of diabetes include diet and exercise to control weight, because obesity is a major risk factor. Insulin injections and other medications are also used to control blood sugar, but severe complications often occur even in spite of treatment; they include heart disease, blindness, kidney failure and circulation problems that lead to amputation of feet and legs.

Dr. Willett, offering a possible explanation for the new dietary findings, suggested that too little fiber and too much of the wrong type of carbohydrate may be harmful. It has been known for at least 15 years that the carbohydrates in white bread, potatoes and white rice are quickly digested and absorbed, causing a big surge in blood sugar, or glucose, which in turns leads the pancreas to secrete high levels of insulin. Ounce for ounce, those foods increase blood glucose levels more than eating sugar itself.

Over time, high blood sugar and insulin levels may make the body less sensitive to insulin, a condition called insulin resistance, and greater and greater amounts of insulin are needed to metabolize glucose.

The lack of fiber is detrimental because fiber can slow the absorption of carbohydrates and prevent surges in the levels of blood sugar and insulin. In addition, Dr. Willett said, micronutrients in fiber, particularly magnesium, may be important in preventing diabetes.

PREVIOUS studies have suggested that magnesium can increase the body's sensitivity to insulin, easing the stress on the pancreas. In this study, though, it was impossible to tell whether it was magnesium or some other fiber ingredient that protected people from diabetes, so Dr. Willett recommended eating foods rich in fiber rather than taking magnesium or other supplements.

Dr. Willett said he expected that people would be shocked to hear the bad news about white bread and rice, and especially potatoes. "Americans have been told to load up on those things as if they're magical foods because they're low in fat," he said. "The base of the food pyramid is 11 servings a day of carbohydrates, and it includes potatoes."

But his findings do not challenge the basic idea of the food pyramid, he said, or support any of the popular diet books that urge people to abandon carbohydrates in favor of high-protein diets. Carbohydrates should still be the basis of the diet, Dr. Willett said, but he cautioned, "Be careful which ones you eat."

"Bread, rice and pasta should be in the whole-grain form: brown rice and whole-grain pastas and breads," he added. "And go easy on the potatoes! Potatoes have been a staple when people faced starvation and needed calories, but they're not a staple food for a relatively sedentary population like the United States'. I'd eat potatoes in small amounts, and not every day."

BOOKS

TOURISTS:
How Our Fastest Growing Industry Is Changing the World

By Larry Krotz 238 pages. $24.95. Faber and Faber.

Reviewed by James T. Yenckel

MOST of us are tourists at one time or another, and tourism, as Larry Krotz tells us, is changing the world. Is the change for better or for worse? The answer, he concludes, is both. Overall, his book paints a gloomy picture, which shouldn't surprise anyone who has witnessed the vacation condo sprawl that afflicts many of the world's loveliest beaches. But he is optimistic that a new, more sensitive era of tourism is upon us that may be able to preserve the integrity of a destination rather than destroy it.

As tourists, eager to see distant lands or simply the next village up the road, are we the villains who are guilty of blemishing pristine landscapes and corrupting other cultures? Should we stay home to spare the world further harm? Well I, for one, do not accept blame, and I plan to keep traveling. Krotz, a creative writing instructor at the University of Manitoba in Winnipeg, would seem to agree.

He is an avid traveler who, in his research on the effects of mass tourism, visited Germany, Africa, North Dakota (just across the border from his home) and Belize, which he argues is in danger of being overdeveloped. As in so many other popular destinations, the natural beauty that drew the first visitors to that Central American nation is being buried in concrete to accommodate the hordes following in their footsteps.

As Krotz points out, tourism has become "the biggest employer and fastest growing industry in the world." Virtually everybody — except perhaps oil-rich Saudi Arabia — is infatuated with tourism because it is a labor-intensive moneymaker, and it can stimulate such spillover industries as agriculture (food for restaurants) and handicrafts (to tempt shoppers). Even North Dakota, never on anybody's list of dream vacation spots, is trying to grab its share of the tourist dollar by spotlighting the state's frontier history, which actually is a worthy endeavor.

At its best, tourism can spur nations and communities to preserve their natural and cultural treasures. The prospect of tourist dollars has transformed Baltimore's waterfront into a lively marketplace, and San Francisco owes its remaining cable cars to their international appeal. African wildlife, once seemingly doomed, enjoys new value as a tourist lure for photo safaris. In the long run, California's redwoods will prove more valuable left standing upright than chopped for lumber. Old San Juan, Puerto Rico, a major cruise port, has never looked better thanks to tourism-sparked restoration efforts.

At its worst, tourism is a destroyer. I've just returned from the quiet, bucolic island of St. Croix in the U.S. Virgin Islands. To draw more visitors, some St. Croix interests want to open a casino, which could change the character of the island. In Hawaii, lovely Maui is a very popular vacation destination, but visitors there have to put up with mainland-like traffic jams. Is this the paradise travelers are looking for? In summer, the South Rim of the Grand Canyon can seem as crowded as New York's Fifth Avenue.

What can be done to foster the benefits and reduce the pitfalls of mass tourism? Third World countries such as Belize might set limitations on how much growth will be permitted, but this is asking a lot of a poor nation eyeing the flow of new money.

A couple of years ago, rangers at the Grand Canyon urged travelers to avoid the summer crush — to save the park — and many stayed away. But motel operators in nearby Flagstaff voiced outrage because they were losing business. In time, perhaps tourism promoters will learn the value of restraint.

Tourism's impact on the world is an important issue, and Krotz is to be commended for raising it. But his book leaves too much unanswered to be a useful guide for anyone. As a frequent traveler, I read it with increasing disappointment and frustration.

What can I do, as an individual, to avoid causing harm when I travel? In Mexico or the Caribbean, I shop for handmade crafts, which I think is nurturing the preservation of local skills. I try to stay in locally owned lodgings, so that the money I pay is kept in the community rather than going to a foreign-owned chain. And I never take flight-seeing excursions because they are noisy intrusions on any locale. Am I helping?

Answers to these and many more questions will have to wait until a more thorough study of tourism's role in the world is undertaken.

James T. Yenckel writes the weekly Fearless Traveler column in the Sunday Travel section of The Washington Post.

BRIDGE

By Alan Truscott

IF your partner opens one no-trump and you have a solid minor suit and little else, it is simple to raise to three no-trump.

If your opponent intervenes, three no-trump is still reasonable, since it is unlikely that opener has two weak suits.

Tournament players can guard against this slight danger. They use a direct three no-trump to deny a stopper and a Lebensohl two no-trump, forcing a three-club response, to promise a stopper. There is no standard solution, however, when an opponent shows two suits.

In the diagramed deal, played in a Senior Pairs event in Waldwick, New Jersey, East's overcall of two hearts promised both major suits.

South should have bid a simple three no-trump, although that would probably not have ended the bidding. East would no doubt have ventured four hearts, in the teeth of the vulnerability, and would have failed by one trick against accurate defense. If East played the spade king early, he would succeed if North failed to hold up his ace.

Instead South bid five diamonds, which was in jeopardy when West led a heart. East was Al Pagan of Westwood, New Jersey, who took two heart tricks.

He then made the only play to insure defeat, by leading a third heart. He hoped to promote a trump honor in his partner's hand, and succeeded. The best South could do was to discard a spade loser. The diamond ten scored, and South made the rest for down one.

The heart play would have been disastrous if South's diamonds had been solid. Returning the spade king would also have been a gamble. South would have won in dummy and played many trumps. Eventually he would have had to make a decision in clubs. A normal finesse would have resulted in a two-trick defeat, while playing the A-K, to insure 10 tricks, would have made the contract.

NORTH
♠ A 9 4 2
♡ K J
♢ 9 3
♣ A K J 8 3

WEST
♠ 10 7 3
♡ 5 2
♢ 10 8 7 5
♣ 10 9 5 4

EAST
♠ K Q J 5
♡ A Q 10 9 8 6 3
♢ —
♣ Q 8

SOUTH (D)
♠ 8 6
♡ 7 4
♢ A K Q J 8 4 2
♣ 7 2

East and West were vulnerable. The bidding:

South	West	North	East
Pass	Pass	1 N.T.	2 ♡
5 ♢	Pass	Pass	Pass

West led the heart five.

Most Firms In U.S. Stay Calm Amid Dollar's Rise

9 Lines, Led by

INTERNATIONAL MAN

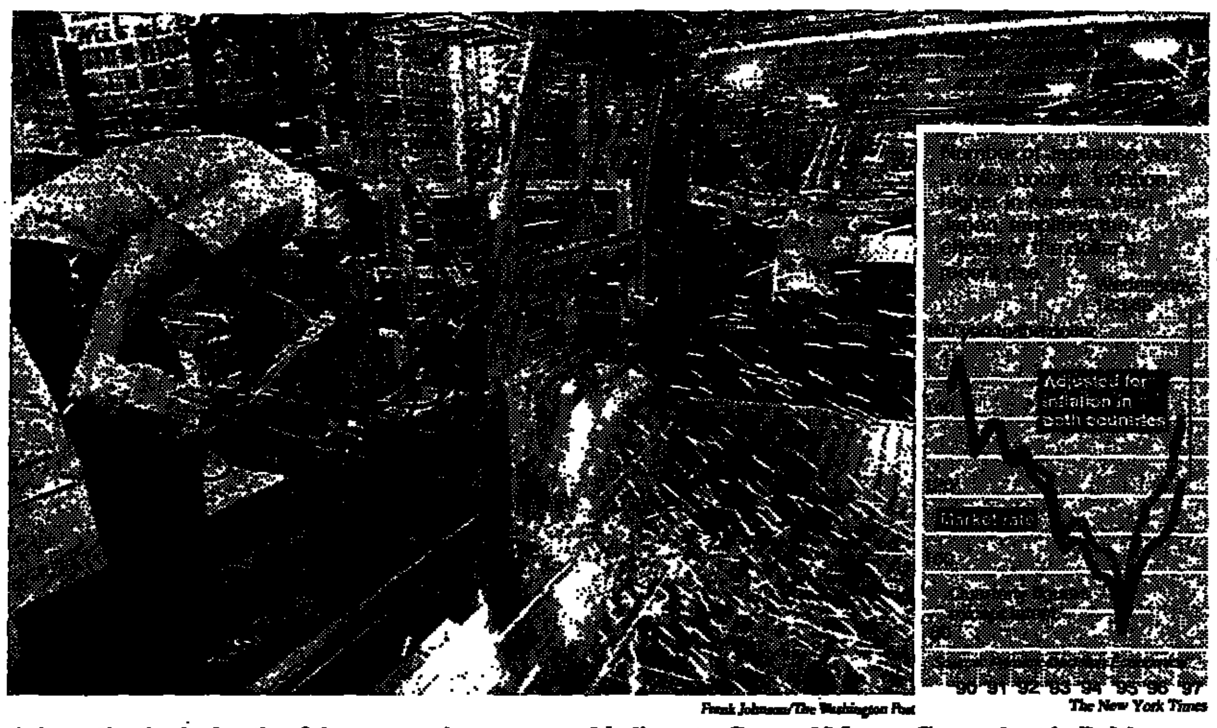
Intel's Andy Gro

CURRENCY

Herald INTERNATIONAL Tribune
BUSINESS/FINANCE
R THURSDAY, FEBRUARY 13, 1997

Most Firms In U.S. Stay Calm Amid Dollar's Rise

By Keith Bradsher
New York Times Service



Frank Johnson/The Washington Post — The New York Times
A front line in the battle of the currencies: an assembly line at a General Motors Corp. plant in Baltimore.

DETROIT — When the dollar was soaring a dozen years ago, many American manufacturers warned that their businesses would be severely injured by an influx of cheap Japanese tractors, cars and other imports.

The dollar has been soaring again this winter, but this time, the number of U.S. companies expressing alarm has been surprisingly small.

In recent days, officials at Boeing Co., General Electric Co. and Intel Corp. have dismissed worries about the dollar. Even Caterpillar Inc., which led the complaints in the mid-1980s, has said almost nothing lately about the dollar's surge, although its chairman, Donald Fites, indicated some concern last summer.

While the dollar's rise still threatens grave harm to some industries, notably carmakers in Detroit, many other U.S. companies are insulated from its effects by expanded production overseas, a decade of aggressive cost-cutting and active hedging of currencies.

U.S. machine-tool makers, many of which were nearly driven out of business in the mid-1980s by low-priced Japanese imports, have been remarkably quiet about the latest rise in the dollar.

"We can export our machines to Japan and Europe with a landed cost that is competitive," even at current exchange rates, said James Gleason, chairman of Gleason Corp., a machine-tool manufacturer based in Rochester, New York.

Mr. Gleason gave several reasons. For example, he said, the company has sharply reduced its costs over the past decade and abstained from significant price increases — Japanese machine-tool producers have had little room to cut prices lately because they did not raise them much when the dollar was weak — and it has significantly expanded production overseas.

Moving production to countries where costs are lower allows companies to sell competitively priced goods and hold market share even when the dollar is rising, although profits earned elsewhere also translate into fewer dollars when the U.S. currency is strong.

Economic data step up the pressure on Britain to raise rates. Page 13.

Some economists say that, while the dollar has risen about 54 percent against the yen since its low in April 1995, it has appreciated much less, around 17 percent, in trade-weighted terms, which measures it against currencies of major trading partners.

The U.S. dollar has been nearly unchanged in that period against the Canadian dollar, for example, and the currency's recent steep rise against the yen still has not put it at the vertiginous levels reached in the mid-1980s.

As a result, while some companies, notably automakers, are expressing concern now about the dollar's strength, others are not, particularly those that have moved part or all of their manufacturing operations offshore.

This might only mean that U.S. companies are being slow to recognize the dangers of a strong dollar, as they were in the 1980s.

The higher U.S. rate of inflation compared with Japan means the dollar should be falling 2 percent to 3 percent a year just to keep price levels in the two countries comparable. Adjusted for differences in inflation, the dollar-yen exchange rate is near a six-year high.

The rising dollar is clearly harming some sectors of the economy already.

Some economists argue that it hurts American workers even if it does not hurt multinational corporations based in the United States.

The businesses that are suffering from the strong dollar now fall into three sometimes overlapping categories: Commodity producers that operate on small margins are finding their profits eroded by foreign competitors; businesses without operations that export, or that have to compete with imports, suffer many of the disadvantages of a strong dollar without the ability to expand production in countries with weak currencies; and some companies that compete mainly with imports from Japan are struggling.

The loudest complaints lately have come from Detroit's Big Three automakers because they fall into all three categories of vulnerability. They mainly compete with Japanese imports in the U.S. market and have been steadily losing market share to them recently.

While the Big Three have extensive operations in Europe, they have minimal sales in Japan and do not directly own any assembly plants there, so they are not insulated against the yen's decline. In addition, there are signs that automobiles are becoming commodities, sold as basic transportation at razor-thin margins that can evaporate when exchange rates change. The Big

See DOLLAR, Page 12

ITT Rejects Hilton's Bid Of $10.5 Billion for Firm

Target Calls Offer Low and Problematic

Compiled by Our Staff From Dispatches

NEW YORK — ITT Corp. rejected Hilton Hotels Corp.'s $10.5 billion hostile takeover offer Wednesday as too low and too problematic, setting back Hilton's bid to become the world's biggest owner of large hotels and casinos.

ITT said the $55-a-share offer had not fairly valued the company and had raised too many conflicts between ITT's Sheraton chain and Hilton's hotels.

ITT added that it believed it would have brighter prospects if it stayed independent and building its own hotels and casinos.

Hilton executives were not immediately available to comment on whether Hilton would raise its bid, which comprises $6.5 billion in stock and about $4 billion in assumed debt.

Hilton has said it would be willing to raise its offer once it gets a chance to look at ITT's books.

ITT also said it would file a lawsuit in federal court in Nevada to block the bid. It charged that Hilton misused confidential information on ITT that Hilton obtained when it acquired Bally Entertainment Corp. in June 1996 for about $ 3 billion. ITT also had been in talks to buy Bally.

"There are serious business conflicts which have always confronted a Sheraton-Hilton combination — owning and managing multiple hotels under each brand in dozens of the same cities creates material conflicts of interest," Rand Araskog, ITT's chief executive, said.

Hilton's plan to link the Sheraton chain with HFS Inc., which franchises such lower-priced motel chains as Days Inn, also raised questions, ITT said.

ITT has already undergone a wrenching reorganization to try to sharpen its focus. The company, once the epitome of a conglomerate in some eyes, completed a three-way split in December 1995, spinning off its insurance and industrial businesses.

Mr. Araskog said the company planned to focus on its Sheraton hotels and Caesars casinos and to avoid businesses that did not produce high profit growth.

Analysts said that meant ITT would probably sell all its assets except Sheraton and Caesars.

"They're going to sell anything not having to do with hotels and gaming," said Steve Cohen, a partner at the money management firm of Kellner, DiLeo & Co. in New York.

Stephen Bollenbach, chief executive of Hilton, has particularly targeted Madison Square Garden and the New York Knicks and Rangers professional sports teams as businesses that do not mesh well with ITT's main business.

Mr. Bollenbach also said ITT's recently launched joint-venture television station with Dow Jones & Co., called WBIS+, and the company's phone-directory and technical-schools businesses would also come up for review if Hilton took over.

He has said he wants his company to lead a wave of takeovers in the casino business. Hilton, which owns the Flamingo Hilton in Las Vegas in addition to the Bally properties, would gain 415 hotels with more than 130,000 rooms and 14 casinos with more than 320,000 square feet (29,700 square meters) of gaming space in Las Vegas and Atlantic City, New Jersey, if the takeover went through.

Hilton's hotel business has 240 properties with nearly 100,000 rooms and 16 casinos with more than 900,000 square feet of space. Traders said ITT might use proceeds from a sale of its noncore assets to buy back stock, initiate a self-tender offer or further invest in Caesars and Sheraton.

They added, however, that it would depend on whether ITT got a good price for its holdings.

"It might be embarrassing for them if they don't get a good price for something like Madison Square Garden, because they paid a lot for it," one trader said.

ITT shares were quoted at $57.375 in late trading, up $1.375. Hilton was down 87.5 cents at $27.25.

(AP, Reuters)

9 Lines, Led by Lufthansa and United, Plan Links to Counter BA-American

Reuters

LONDON — Nine major airlines plan to form a global alliance to counter the competitive threat posed by the proposed link between British Airways and American Airlines, airline officials said Wednesday.

The club is being formed by "like-minded companies of similar quality and with a common vision," said Zachary Clark, Air Canada's general manager of passenger sales in Europe.

Headed by United Airlines and Lufthansa, the new grouping would include lines from North America, Europe, Asia and Latin America.

Other members would include Air Canada, Scandinavian Airlines, Thai International and Varig of Brazil. Lines such as All-Nippon Airways, South African Airways and British Midland are likely to join, sources added.

The plan is part of an industrywide realignment aimed at improving efficiency and higher yields through closer coordination, Mr. Clark said.

Frequent-flyer programs would be merged so that passengers could earn mileage credit on the worldwide network of all nine airlines, he said.

Industry sources said the alliance, to be launched in mid-May, would account for 13 percent of all revenue passenger kilometers flown by scheduled airlines and that it would be officially launched as an integral airline product with its own brand name. The alliance aims to get ahead of the proposed BA-American alliance and to counter its potential dominance of such airline hubs as London and Dallas.

Before United can participate, however, it must have assurances of antitrust immunity from all potential partner airlines' governments to allow the creation of common fares in the group. So far, only United, Lufthansa and SAS can negotiate common fares.

Lufthansa's general manager for alliances, Christiane Freuhe, declined to discuss the new venture.

"All I can say is that, along with our alliance partners, we are preparing to offer our customers a seamless airline product," he said.

The German carrier signed code-sharing agreements with United in 1994, with Thai International in 1995 and with SAS and South African in 1996.

The group's first "universal airport lounge" is to be in Bangkok, with joint reservations and ticketing offices to be set up around the world.

Like several other airline alliances, Mr. Clark said, this one is being driven by a "certain degree of paranoia at the prospect of a BA-American partnership."

That partnership is still awaiting government clearance.

A United spokesman in London said: "We think there should be a competitive counterbalance to the BA-American alliance. What BA and American are planning is to monopolize London Heathrow, and it shouldn't be allowed to happen."

■ More Traffic Expected

British Airways' chief executive, Bob Ayling, said he expected 20 percent more flights between the United States and Heathrow Airport in London if BA's proposed alliance with American Airlines is approved, Bloomberg News reported. Mr. Ayling, speaking at the Aviation Club in London, said growth would come from the 168 weekly takeoff and landing slots at Heathrow that the airlines have been asked to give up by regulators. He said rivals would be able to earn $1 billion annually from the slots, marking the first time the airline has put a monetary value on them.

Mr. Ayling's remarks were regarded as part of a campaign to sway public opinion in favor of an alliance that has drawn scrutiny from regulators and complaints from rivals.

The two airlines, which want to unite their trans-Atlantic flights, fares and marketing, now carry almost two of every three passengers between the United States and Britain.

They also carry 100 percent of those on routes such as London-Dallas and London-Boston.

INTERNATIONAL MANAGER

Intel's Andy Grove Goes Hollywood

By Richard Covington
International Herald Tribune

CANNES — Not content with churning out record profits for his investors, Intel's chief executive officer, Andy Grove, is trying his hand at magic.

His latest trick involves leveraging the company's souped-up MMX computer chip to move mountains — the towering Alp of the global entertainment industry, to be exact.

The $21-billion chip manufacturer has already negotiated agreements with NBC, CNN, MTV and other television networks to showcase MMX's new interactive capabilities. A major investment with global media partners such as Walt Disney Co., Sony or Dreamworks SKG is the next logical step.

"We're urging the $1-trillion entertainment industry to target a new player," said Ron Whittier, the company's senior vice president in charge of the 300-member content group, which seeks to develop new applications for chip technology. Mr. Whittier and an army of Intel operatives were busily spreading the MMX gospel to the 9,000 producers, publishers and developers who gathered this week at Milia, an international multimedia market here.

With pockets bulging with cash, Intel is peppering the worlds of film, television, music, multimedia, photographic processing and the nether regions of emergent technology with strategic investments intended to lure customers for ever-more sophisticated computers.

"We want the entertainment and software industries to add an interactive component to their films, music, games and programs that keeps the same level of quality," Mr. Whittier said. Since these content industries have been slow to embrace experimental interactive technologies, Intel is taking the initiative, he explained.

By interactive, he means recent innovations such as multiplayer games played via computer videophone, televised sports events that allow viewers to look up player statistics and background, and intelligent agents that guide users through the Internet according to their preferences.

"If someone came up with an interactive version of 'Independence Day,' we would seriously consider investing in it," he said. The doomsday movie has earned nearly $800 million worldwide.

So far, the company has pumped more than half a billion dollars into about 50 ventures, but that amount is expected to climb sharply over the coming months. Projects range from interactively enhancing televised NBA basketball games to staging Internet rock concerts by Hootie and the Blowfish and devising 3-D games in Chinese from a 70-person software lab in Shanghai.

Chief among the projects is a high-tech media lab intended to encourage Hollywood producers to give their film and television programs an interactive twist. The lab is a collaborative project with Creative Artists Agency, the

See INTEL, Page 15

Kohl's Call for Sacrifice Angers Unions

Compiled by Our Staff From Dispatches

FRANKFURT — Chancellor Helmut Kohl, touching a raw nerve with unions angry at record unemployment, said Wednesday that Germans should accept little or no real increase in wages over the next few years to help try to create jobs.

Mr. Kohl told the Bild newspaper his proposal did not mean real cuts "but merely doing without growth in prosperity" and that Bonn's bid to get Germany into Europe's currency union did not conflict with his aim of cutting the jobless rate.

Separately, the DIW research institute said East German wages should be frozen for the next few years to increase corporate earnings in the region, stimulating investment and job-creation.

Official figures showed last week that unemployment had soared in Germany to a post-World War II record of 12.2 percent of the work force. The jobless rate in Eastern Germany is 18.7 percent.

German union leaders condemned Mr. Kohl's proposal, saying workers had seen virtually no real wage increases over the past few years because of rising taxes and social-security charges implemented by Bonn.

"I think this proposal shows the Kohl government is pretty desperate," Armin Kayser of SBC Warburg said. "Many people still remember his pledge that we would see blossoming landscapes in Eastern Germany a few years after unification."

Unions stepped up demands that Mr. Kohl's government stop protecting employers — who they say have failed to fulfill long-standing promises to add workers — and increase public spending, which has been slashed to reduce the federal budget deficit.

"Profits and share prices keep rising, exports hum along, and unemployment also just keeps on rising," said Klaus Zwickel, leader of the IG Metall metalworkers' union. He said the unemployment rate had doubled since Mr. Kohl took office in 1982.

"The unions have done enough; it is time for employers and the government to act," said Herbert Mai, president of the OeTV union for public-sector workers.

The German policy of seeking consensus among government, unions and employers received a blow late last year when Mr. Kohl implemented a series of measures aimed at cutting employment costs, including a failed attempt at reducing sick-pay benefits that led to strikes. *(Reuters, AFP, Bloomberg)*

■ France to Freeze Spending

The French government pledged to freeze spending this year to make sure it hit its budget-deficit goal after missing it in 1996, Bloomberg News reported from Paris. It said its 1996 deficit was 295 billion francs ($52.25 billion), compared with a forecast of 288 billion francs.

CURRENCY & INTEREST RATES

Cross Rates

Feb. 12

	$	£	D.M.	F.F.	Lira	D.Fl	B.F.	S.F.	Yen	C$	Peseta
Amsterdam	1.889	3.0865	1.1224	0.3325	0.1145*	—	5.44*	1.3073	1.5256*	1.394	1.326*
Brussels	34.37	56.90	20.6335	6.118	2.1116*	18.384	—	24.063	0.2807	25.70	24.28*
Frankfurt	1.670	2.7537	—	0.2962	0.1021*	0.891	4.847*	1.166	1.3595*	1.2405	1.182*
London (a)	1.6335	—	2.7495	9.2887	2,695.48	3.0861	56.7397	2.3613	202.308	2.2145	232.982
Madrid	142.45	232.356	84.808	25.042	8.435*	75.386	4.1807	91.891	115.042*	105.12	—
Milan	1,646.80	9,701.85	980.45	290.35	—	874.50	47.454	1,146.90	13.342	1,214.45	11.608
New York (b)	—	1.6305 a	1.687	5.699	1,653.00	1.8934	34.79	1.452	134.275	1.3583	142.515
Paris	5.685	9.271	3.3759	—	0.3465*	3.098	0.1636	3.9320	4.5903*	4.1944	3.9085*
Tokyo	122.80	202.74	73.47	21.84	0.754	65.63	3.5718	86.72	—	91.24	0.879
Toronto	1.356	2.2139	0.8047	0.2385	0.0821*	0.717	0.3989*	0.9361	1.092*	—	0.8953*
Zurich	1.448	2.3465	0.8675	0.2548	0.0878*	0.7689	4.1779*	—	1.1484*	1.1609	1.0165*
1 ECU	1.1696	0.7133	1.9562	6.6038	1,916.74	2.1955	40.3807	1.677	143.867	1.5745	165.566
1 SDR	1.386	0.8454	2.3143	7.8254	2,272.15	2.6025	47.6348	1.9807	171.512	1.8789	196.185

Closings in Amsterdam, London, Milan, Paris and Zurich, fixings in other centers; New York at 4 p.m. and Toronto rates at 3p.m.
*a: To buy one pound; b: To buy one dollar; *Units of 100; N.Q.: not quoted; N.A.: not available.*

Libid-Libor Rates

Feb. 12

	Dollar	D-Mark	Swiss Franc	Sterling	French Franc	Yen	ECU
1-month	5 3/8 - 5 7/16	3 - 3 1/8	1 1/2 - 1 5/8	6 - 6 1/8	3 5/16 - 3 7/16	7/16 - 1/2	3 15/16 - 4 1/16
3-month	5 3/8 - 5 1/2	3 - 3 1/8	1 1/2 - 1 5/8	6 1/8 - 6 1/4	3 5/16 - 3 7/16	7/16 - 1/2	3 15/16 - 4 1/16
6-month	5 7/16 - 5 9/16	3 - 3 1/8	1 1/2 - 1 5/8	6 1/4 - 6 3/8	3 5/16 - 3 7/16	7/16 - 9/16	3 15/16 - 4 1/16
1-year	5 5/8 - 5 3/4	3 - 3 1/8	1 5/8 - 1 3/4	6 9/16 - 6 11/16	3 3/8 - 3 1/2	1/2 - 5/8	3 15/16 - 4 1/16

Sources: Reuters, Lloyds Bank.
Rates applicable to interbank deposits of $1 million minimum (or equivalent).

Other Dollar Values

Currency	Per $	Currency	Per $	Currency	Per $	Currency	Per $
Argent. peso	0.9988	Greek drac.	262.44	Mex. peso	7.785	S. Afr. rand	4.4025
Australian $	1.3228	Hong Kong $	7.7449	N. Zealand $	1.4586	S. Kor. won	869.30
Austrian sch.	11.838	Hung. forint	172.28	Norw. krone	6.6015	Swed. krona	7.4403
Brazil real	1.0471	Indian rupee	35.878	Phil. peso	26.34	Taiwan $	27.55
Chinese yuan	8.3216	Indo. rupiah	2376.25	Polish zloty	3.01	Thai baht	25.94
Czech koruna	27.81	Irish £	0.6321	Port. escudo	169.05	Turkish lira	117555.
Danish krone	6.4095	Israeli shek.	3.3325	Russ. ruble	5640.0	UAE dirham	3.6705
Egypt. pound	3.3965	Kuwaiti dinar	0.2998	Saudi riyal	3.75	Venez. boliv.	474.25
Fin. markka	4.947	Malay. ring.	2.487	Sing. $	1.4159		

Forward Rates

Currency	30-day	60-day	90-day	Currency	30-day	60-day	90-day
Pound Sterling	1.6301	1.6292	1.6282	Japanese yen	123.35	122.80	122.30
Canadian dollar	1.3527	1.3499	1.3473	Swiss franc	1.4384	1.4338	1.4292
Deutsche mark	1.6796	1.6762	1.6729				

Sources: ING Bank (Amsterdam); Indosuez Bank (Brussels); Banca Commerciale Italiana (Milan); Banque de France (Paris); Bank of Tokyo-Mitsubishi (Tokyo); Royal Bank of Canada (Toronto); IMF (SDR). Other data from the Associated Press, Bloomberg and Reuters.

Key Money Rates

United States	Close	Prev
Discount rate	5.00	5.00
Prime rate	8 1/4	8 1/4
Federal funds	5 1/4	5.00
90-day CDs dealers	5.37	5.37
180-day CP dealers	5.28	5.28
3 month Treasury bill	4.72	5.14
1-year Treasury bill	5.50	5.49
2-year Treasury bill	5.86	5.85
5-year Treasury note	6.18	6.16
7-year Treasury note	6.28	6.26
10-year Treasury note	6.42	6.41
30-year Treasury bond	6.72	6.70
Merrill Lynch 30-day RA	4.89	4.90
Japan		
Discount rate	0.50	0.50
Call money	0.43	0.41
1-month interbank	0.56	0.56
3-month interbank	0.56	0.56
6-month interbank	0.59	0.59
10-year Govt bond	2.48	2.47
Germany		
Lombard rate	4.50	4.50
Call money	3.15	3.15
1-month interbank	3.15	3.15
3-month interbank	3.15	3.15
6-month interbank	3.15	3.15
10-year Bond	5.57	5.59

Britain		
Bank base rate	6.00	6.00
Call money	6 1/2	7.00
1-month interbank	6 1/8	6 1/8
3-month interbank	6 3/16	6 3/16
6-month interbank	6 1/4	6 5/16
10-year Gilt	7.10	7.13
France		
Intervention rate	3.10	3.10
Call money	3 3/16	3 3/16
1-month interbank	3 1/4	3 1/4
3-month interbank	3 1/4	3 1/4
6-month interbank	3 1/4	3 1/4
10-year OAT	5.45	5.45

Sources: Reuters, Bloomberg, Merrill Lynch, Bank of Tokyo-Mitsubishi, Commerzbank, Credit Lyonnais.

Gold

	A.M.	P.M.	Ch'ge
Zurich	337.55	337.70	—1.95
London	336.90	337.70	—1.70
New York	341.60	345.40	—3.50

U.S. dollars per ounce. London official fixings; Zurich and New York opening and closing prices; New York Comex (April.)
Source: Reuters.

Mitsubishi Gets Harassment Guide

Compiled by Our Staff From Dispatches

CHICAGO — Mitsubishi Motor Manufacturing of America Inc., which faces charges of widespread sexual harassment at its plant in Illinois, should adopt a "zero tolerance" unit at the chief executive's level to assure fair treatment of workers, a task force headed by former U.S. Labor Secretary Lynn Martin said Wednesday.

The recommendation is one of 34 issued after a nine-month review of Mitsubishi's workplace practices.

The task force also urged improved training of supervisors and comprehensive cultural and language courses for all Japanese employees. Mitsubishi Motor Manufacturing is a unit of Tokyo-based Mitsubishi Motors Corp.

The report does not contain any specific findings on the harassment allegations, though its recommendations suggest substantial need for improvement of working conditions at the plant in Normal, Illinois.

"This report is blunt, assessing weakness, but it is not involved in assessing blame," Ms. Martin said in a prepared statement. "The time for that is passed."

The top executive of Mitsubishi's U.S. unit said it would heed the Martin report, and would develop a "model workplace" to ensure harassment complaints are taken seriously.

"I believe the recommendations in her report are the right things for our company to do," said Tsuneo Ohinouye, chairman and chief executive of Mitsubishi Motor Manufacturing. "We have committed to her that we will follow the letter and the spirit of the recommendations."

The U.S. Equal Employment Opportunity Commission sued Mitsubishi in April, after investigating charges that as many as 700 women allegedly were grabbed, assaulted or subjected to obscene phone calls at the company's plant in Normal.

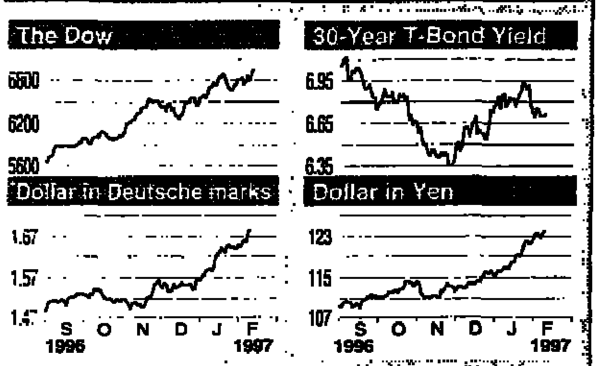
Since beginning her work with the company, Ms. Martin has said Mitsubishi has promoted women and minorities. She said other plants in the auto industry have been plagued with similar racial and sexual harassment problems.

In July, Mitsubishi hired a "director of opportunity" programs and took other steps to prevent harassment and discrimination.

Workers at the Normal plant, Ms. Martin said, are eager to correct the workplace problems because they fear if sales fall because of the publicity, they will lose their jobs. *(Bloomberg, AP)*

THE AMERICAS

Investor's America



Exchange	Index	Wednesday @4PM	Prev. Close	% Change
NYSE	The Dow	6964.85	6858.11	+1.51
NYSE	S&P 500	802.77	789.59	+1.66
NYSE	S&P 100	783.14	770.26	+1.66
NYSE	Composite	419.88	414.09	+1.40
U.S.	Nasdaq Composite	1358.96	1331.35	+2.07
AMEX	Market Value	593.18	588.24	+0.66
Toronto	TSE Index	6163.76	6122.40	+0.67
São Paulo	Bovespa	86706.29	83185.54	+4.28
Mexico City	Bolsa	3815.18	3741.77	+1.96
Buenos Aires	Merval	717.94	708.30	+1.36
Santiago	IPSA General	5319.06	5280.65	+0.72
Caracas	Capital General	N.A.	6407.68	

Source: Bloomberg, Reuters — International Herald Tribune

Very briefly:

Nine West Plans to Cut 1,000 Jobs

STAMFORD, Connecticut (Bloomberg) — Nine West Group Inc. said Wednesday it would close three plants and cut 1,000 jobs as part of a massive restructuring plan.

The maker of Easy Spirit and Evan Picone shoes said it would close plants in Madison, Indiana; Crothersville, Indiana, and Flemingburg, Kentucky. The plant closings are to begin in April and continue through late 1997. Nine West also said it planned to drop or reconfigure some operations at two other plants in Vanceburg, Kentucky.

The company also said it would move its Cincinnati-based raw-materials warehouse and its Harrison, Ohio, product-development center to a new facility in Hebron, Kentucky. The moves are part of Nine West's efforts to "be a low-cost producer of consistently high-quality products," the company's president, Noel Hord, said. Nine West, which also makes 9&Co. and Pappagallo brand shoes, sells its products through more than 7,000 retailers in more than 16,000 locations worldwide.

•**Campbell Soup Co.** said its earnings rose 7 percent from a year earlier, to $276 million, or $1.18 a share, in the quarter ended Jan. 26, lifted by strong results in its international division.

• **Advanced Micro Devices Inc.** said it was on target to begin shipping its K6 microprocessor in the second quarter and that the chip's price would be about 25 percent lower than that of Intel Corp.'s Pentium Pro chip.

•**Netscape Communications Corp.** said it planned to raise prices on much of its corporate-intranet software line.

• **Digital Equipment Corp.** said it had reduced to about $500 million from about $550 million its estimated cost of completing a restructuring that had cut its payroll in half since the 1980s.

•**Ameritech Corp.** said it would withdraw a request to provide long-distance service to its own customers in Michigan, just days after federal regulators rejected a key component of the application. *AP, Reuters, Bloomberg*

A Stay in EU-U.S. Trade Spat

Brussels Seeks to Settle Crisis Over 2 Sanctions Laws

By Tom Buerkle
International Herald Tribune

Seeking to prevent the trans-Atlantic dispute over Cuba from undermining the World Trade Organization, the European Union on Wednesday requested a one-week delay in forming a WTO dispute panel in order to pursue a negotiated settlement of U.S. trade sanctions with President Bill Clinton's administration.

The European move, which was welcomed by senior U.S. officials, raised hopes on both sides of a solution to the worst U.S.-EU trade dispute since the early 1990s.

The one-week delay will allow for high-level negotiations. Officials said they expected the issue would be high on the agenda when Secretary of State Madeleine Albright tours European capitals next week, including a stop in Brussels on Tuesday for talks with the European Commission president, Jacques Santer, and the EU trade commissioner, Sir Leon Brittan.

But officials cautioned that the political obstacles to a deal were numerous, and the time to resolve them was short.

In announcing the delay, Sir Leon said the Union was not seeking a showdown with Washington but was determined to defend European commercial interests.

"This is why we are eager to achieve an overall settlement of our differences with the United States over the unacceptable extraterritorial effects of the Helms-Burton and D'Amato acts," he said. The Helms-Burton Act contains sanctions for foreign companies that use expropriated properties in Cuba. The D'Amato Act allows the government to withhold U.S. financing and contracts from foreign companies that trade with Iran and Libya.

The request for a delay, coming just one day before the WTO director-general was due to appoint a three-person panel to rule on the legality of the U.S. sanctions, reflected growing European concern that the United States would justify its sanctions on national security grounds and refuse to cooperate with the Geneva-based trade organization.

Such hardball tactics would leave the WTO, launched just two years ago with a mission of resolving global trade disputes, "immeasurably damaged," Sir Leon said.

But Sir Leon rejected any hint of a European climb-down in the delay. He said that the Union would press its WTO case by Feb. 20 if a settlement was not reached, and that he was confident of victory.

"It is not credible to suggest that protection of U.S. national security requires interference in the legitimate trade of European companies with Cuba," he said.

Sir Leon said that he has been in frequent telephone contact with Stuart Eizenstat, the U.S. undersecretary of commerce who is Mr. Clinton's special envoy on Cuba, but that Washington's talk has fallen far short of Europe's demands.

"We've been involved in discussions with the Europeans," Mr. Eizenstat said in a statement, "and we appreciate the additional time to see if we can come up with an amicable resolution of this matter."

What Europe is seeking, Sir Leon and other EU officials said, were guarantees from the administration not to use Helms-Burton provisions to bar any more European executives from entering the United States.

The State Department last year barred two British executives on the board of Sherritt International Corp., a Canadian mining company, because Sherritt is a major investor in Cuba.

In addition, Sir Leon said the EU was seeking to protect European companies from the reach of the D'Amato Act.

With the Republican Congress still strongly supportive of the two pieces of legislation and European governments adamant about resisting what they view as American attempts to impose its laws overseas, officials said it would be difficult for negotiators on both sides to cut a deal and sell it at home by Feb. 20.

But EU officials said they hoped a delay would de-escalate the dispute and reduce the risk that the United States might walk out on a WTO panel.

Easing of Profit Fears Lifts Stocks to Records

Compiled by Our Staff From Dispatches

NEW YORK — Stock prices rose to records Wednesday as investors put aside recent concern about earnings that had sent down shares of some of America's fastest-growing companies.

"People still think this market can deliver on earnings," said James Margard, chief equity officer at Rainier Investment Management with $3.5 billion in assets. "The fear that dominated this market is giving way to opportunity."

The Dow Jones industrial average closed at 6,961.63 points, up 103.52, yet another record for the blue-chip 30-stock index. Advancing issues outnumbered decliners by more than a 2-to-1 ratio on the New York Stock Exchange.

The Standard & Poor's 500 Index rose 13.23 points to 802.77, also a record. The technology-heavy Nasdaq Composite Index rose 27.45 points to a record 1,358.96.

Stocks briefly retreated from their highs as bond yields jumped after a Treasury bond auction met with tepid demand.

The yield on the benchmark 30-year Treasury bond was at 6.72 percent late Wednesday, up from 6.70 percent Tuesday.

"Any movement in rates has a big impact on this market," said John Niedenberger, a money manager at Advanced Investment Management.

Oil and technology shares gained as investors sought to capitalize on a recent decline in share prices for the fast-growing industries.

"People just sold some of these companies down too far, and now they are buying," Mr. Margard said. Oil shares rose on the expectation that global demand will be strong in 1997 and that the oil supply will not be raised by any sudden production increases, analysts said. Gainers included Mobil, Exxon and Chevron.

Oil-service shares also gained, led by Noble Affiliates. Shares of oil-service companies tend to rise in tandem with rising profits at oil companies: When oil profits are up, companies tend to increase exploration efforts.

Unexpectedly strong earnings from Applied Materials sent computer-related shares higher. Applied Materials, a maker of wafer-

U.S. STOCKS

fabrication equipment, rose sharply to its highest level since November 1995. Other semiconductor equipment-related companies also rose, including Novellus Systems and Advanced Micro Devices.

Cisco Systems, a perennial on the Nasdaq most active list, rose for a second day after having fallen more 16 percent from its Jan. 21 high on expectations that the networking equipment company's earnings and revenue growth would slow.

United Technologies also rose for a second day. The company's president, George David, told analysts he expected to accelerate the company's stock-buyback program and predicted that 15 percent earnings growth would continue.

IBM fell after Merrill Lynch said it would lower its earnings estimate for 1997 by 50 cents, to $12.50 a share, because of the adverse effect of the strong dollar on the multinational company's results. *(Bloomberg, AP)*

DOLLAR: *Most U.S. Manufacturers Find They Are Cushioned From Effects of the Currency's Climb*

Continued from Page 11

Three also have not been shy about raising prices to raise profits now, sometimes at the expense of market share. A study released Monday by Automotive News showed that the Big Three had raised vehicle prices by an average of $39 since Jan. 1, while Japanese automakers had left their prices unchanged.

The Big Three — General Motors Corp., Ford Motor Co. and Chrysler Corp. — also raised prices by an average of $386 at the beginning of the current model year Oct. 1, while their Japanese rivals did so by an average of just $8.

Not surprisingly, the Big Three's inventory of unsold cars has ballooned, to the equivalent of 85 days' sales at the end of January from a more typical 60 days at the end of September.

American auto executives have begun hinting at stepping up their cost-cutting efforts if the dollar continues to rise, although they have not yet mentioned the possibility of layoffs.

If layoffs do come, they would be one sign that American workers may be bearing the brunt of a rising dollar, even if big corporations with global operations are not.

But a rising dollar does help a few industries. Cheaper imports tend to mean less inflation. That means lenders are willing to accept lower interest rates. Many industries whose customers borrow a lot of money benefit from low interest rates, notably home-builders.

Trucking companies have also been pleased, because they tend to haul a lot of building materials and imported products, such as videocassette recorders and cars.

■ Dollar Maintains Rally

The dollar rose against the Deutsche mark and yen as traders surmised that officials of the world's leading industrial nations would not try to halt its rise by selling the U.S. currency, Bloomberg News reported from New York.

The dollar closed at 1.6870 Deutsche marks, up from 1.6778 DM on Tuesday, and at 124.275 yen, up from 123.250 yen.

Traders are also confident that a strong economy with low inflation and comparatively high interest rates would lure investors to the United States, spurring demand for the dollar.

Remarks by Finance Minister Hiroshi Mitsuzuka of Japan and a Bundesbank official knocked the dollar from its early highs.

But the currency later went higher for a second day, suggesting traders were largely dismissing a recent statement from the Group of Seven leading industrial nations that suggested that the dollar had risen far enough.

U.S. Treasury Secretary Robert Rubin said Washington's policy was unchanged from last week, when he said "the dollar has been strong for some time now."

Against other currencies, the dollar ended in New York at 1.4520 Swiss francs, up from 1.4375 francs, and at 5.6890 French francs, up from 5.6605 francs. The pound slipped to $1.6305 from $1.6371.

AMEX

Wednesday's 4 P.M. Close

The top 300 most active shares, up to the closing on Wall Street.
The Associated Press.

Stock	Sales	High	Low	Latest	Chge
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

U. S. STOCK MARKET DIARY

Indexes

Dow Jones

	Open	High	Low	330pm	Chg.
Indus	6864.65	6943.55	6854.65	6940.85	+82.74
Trans	2325.95	2347.37	2321.63	2342.57	+20.65
Util	221.27	222.48	220.92	222.11	+0.77
Comp	2121.35	2142.31	2118.10	2141.09	+21.46

Standard & Poors

	Previous High	Previous Low	Previous Close	Today 3:00
Industrials	922.29	911.68	922.25	934.53
Transp.	553.97	550.07	553.95	556.69
Utilities	198.61	197.49	198.55	199.25
Finance	91.35	90.52	91.35	92.19
SP 500	789.60	780.95	789.59	799.84
SP 100	770.31	761.50	770.25	780.31

NYSE

	High	Low	3PM	Chg.
Composite	418.66	414.07	418.66	+4.57
Industrials	524.46	518.30	524.46	+6.16
Transp.	363.19	361.22	363.16	+1.87
Utility	273.84	270.73	273.84	+2.98
Finance	386.97	383.72	386.97	+3.25

Nasdaq

	High	Low	3PM	Chg.
Composite	1349.32	1340.17	1349.32	+17.81
Industrials	1132.68	1126.48	1131.96	+14.15
Banks	1380.20	1376.60	1380.20	+5.81
Insurance	1475.34	1468.39	1473.65	-9.50
Finance	1714.17	1707.16	1711.79	+7.91
Transp.	871.60	861.06	868.12	+8.64

AMEX

	High	Low	3PM	Chg.
	593.32	589.23	592.67	+3.40

Dow Jones Bond

	Close	Chg.
20 Bonds	103.29	-0.12
10 Utilities	100.10	-0.16
10 Industrials	106.49	-0.07

Most Actives

NYSE

	Vol.	High	Low	3PM	Chg.
TelMex	48684	40½	39	40	+1
TimeWarn	45798	42¾	41¼	42⅛	+1
Motorola	45207	64½	61⅝	63⅝	—¼
Hanson s	38230	7¼	6⅝	6⅝	—⅛
IBM	34861	146¼	143	144⅝	—1
PepsiCo s	34284	32⅝	31⅝	31⅞	—⅛
WMX Tc	33519	33	31⅝	32⅝	+⅛
Compaq	29539	80⅝	78⅞	80⅝	—⅞
PlacerD	29062	20⅝	19½	20⅜	+⅞
ColHCA s	28464	42⅜	41⅛	42¼	+1½
BarrickG	27898	27⅛	25⅝	26⅝	+1¼
WalMart	27475	24⅞	24⅝	24⅝	+¼
WasteEl	26419	18½	18	18¼	+⅛
AT&T s	25957	39⅝	39	39⅝	+⅝
Merck	25851	94⅝	92⅞	94⅝	+1⅝

Nasdaq

	Vol.	High	Low	3PM	Chg.
AppldMat	173672	51⅜	49¾	51⅜	+6½
Intel	106739	154⅞	150⅞	154⅝	+2⅝
Cisco s	102209	63⅝	60⅞	63½	+3½
3Com	94381	38⅝	37⅝	39⅝	+2⅛
Microsft s	73082	99⅝	97½	99¼	+⅛
Oracle s	70260	41⅝	39⅞	40¾	+1⅛
MoneySt	60020	25⅝	22⅞	25⅛	+4⅝
Staples	60498	20⅛	19⅛	19⅜	+⅞
WorldCm s	55030	26⅜	25	26	+1
DellCpt s	46232	66⅝	62⅝	66¼	+2⅝
MCI	45078	37	36⅝	36⅝	—
KLA	42761	43⅝	38⅞	43⅛	+6⅛
APwrCnv	41805	24⅝	21⅞	24⅛	+⅛
PetsMart s	40867	19⅝	18⅛	18⅝	—⅛
Ascend	34567	63⅝	60⅝	63⅛	+3¼

AMEX

	Vol.	High	Low	Last	Chg.
SPDR	26350	80[illegible]	79[illegible]	80[illegible]	+1½
EchoBay	18804	6¾	6¼	6⅝	+⅛
Harken	18633	4[illegible]	4[illegible]	4[illegible]	
RoyalO g	8399	3⅛	3	3⅛	+⅛
ViacB	8309	35⅛	34⅞	34⅞	—⅛
PegGld	7527	7⅞	7¼	7⅛	+⅛
Nabors	7135	17⅞	16⅞	17⅞	—
FAusPr	6695	8[illegible]	8[illegible]	8⅛	
BemaGold	5444	6⅞	6¼	6¾	+⅜
ForstLb	4880	42½	40	42⅝	+2⅛

Trading Activity

NYSE — *Not available at press time*

Nasdaq — *Not available at press time*

AMEX

	Noon	Prev. Close
Advanced	2025	1790
Declined	1486	2295
Unchanged	2245	1664
Total issues	5756	5749
New Highs	108	146
New Lows	51	91

Market Sales

	Today 4:00	Prev. cons.
NYSE	567.92	587.22
Amex	24.81	32.88
Nasdaq	613.63	650.98

In millions.

Dividends

Company	Per	Amt	Rec	Pay
IRREGULAR				
Movesa SA ADS	c	.0168	2-18	3-10
c- approx amount.				
STOCK SPLIT				
Westernbank PR 2 for 1 split.				
STOCK				
Westernbank PR	-	15%	4-1	4-17
REVERSE STOCK SPLIT				
Appliance RecyCtrAm 1 for 4 reverse split.				
INCREASED				
Horace Mann	Q	.135	2-28	3-17
Southwest Airlines	Q	.01155	2-28	3-25
SPECIAL				
Cascade Corp	-	.09	2-21	3-14
INITIAL				
Catskill Fncl	-	.07	2-28	3-17
REGULAR				
Allmerica Secs	Q	.21	2-28	3-31
Arnold Indus	Q	.11	2-21	3-4
Atmos Energy	Q	.25	2-25	3-10
Brunswick Corp	Q	.125	2-24	3-14
CSX Corp	Q	.26	2-25	3-14
Central VA Bnkshs	Q	.18	2-25	3-14
Chartwell Re	Q	.04	2-19	3-5
Cummins Engine	Q	.25	2-28	3-14
Eq Inclst Ex ATT	M	.231	2-15	3-1
Great Am Bncp	Q	.10	3-14	4-1
Green Mount Pwr	Q	.53	3-14	3-31
Green Tree Fin	Q	.075	3-14	3-31
HBO & Co	Q	.02	3-31	4-22
Harnischfeger Ind	Q	.10	3-25	4-8
Insured Muni Inco	M	.064	2-20	2-28
Kaman Cp A	Q	.11	3-31	4-14
Managed High	M	.105	2-20	2-28
Nash Finch	Q	.18	2-21	3-5
Nthrn IN PS adjp	Q	.75	3-14	4-14
Nuveen John Co	Q	.21	3-1	3-15
Questar Corp	Q	.305	2-21	3-17
Southwst Bancshs	Q	.19	2-26	3-12
2002 Target Term	M	.0718	2-20	2-28
Tompkins CtyTrust	Q	.30	3-1	3-15
VF Corp	Q	.38	3-10	3-20

a-annual; b-approximate amount per share/ADR; g-payable in Canadian funds; m-monthly; q-quarterly; s-semi-annual

Stock Tables Explained

Sales figures are unofficial. Yearly highs and lows reflect the previous 52 weeks plus the current week, but not the latest trading day. Where a split or stock dividend amounting to 25 percent or more has been paid, the years high-low range and dividend are shown for the new stocks only. Unless otherwise noted, rates of dividends are annual disbursements based on the latest declaration.
a - dividend also extra (s). b - annual rate of dividend plus stock dividend. c - liquidating dividend. cc - PE exceeds 99.cld - called. d - new yearly low. dd - loss in the last 12 months. e - dividend declared or paid in preceding 12 months. f - annual rate, increased on last declaration. g - dividend in Canadian funds, subject to 15% non-residence tax. i - dividend declared after split-up or stock dividend. j - dividend paid this year, omitted, deferred, or no action taken at latest dividend meeting. k - dividend declared or paid this year, an accumulative issue with dividends in arrears. m - annual rate, reduced on last declaration. n - new issue in the past 52 weeks. The high-low range begins with the start of trading. nd - next day delivery. p - initial dividend, annual rate unknown. P/E - price-earnings ratio. q - closed-end mutual fund. r - dividend declared or paid in preceding 12 months, plus stock dividend. s - stock split. Dividend begins with date of split. sls - sales. t - dividend paid in stock in preceding 12 months, estimated cash value on ex-dividend or ex-distribution date. u - new yearly high. v - trading halted. vi - in bankruptcy or receivership or being reorganized under the Bankruptcy Act, or securities assumed by such companies. wd - when distributed. wi - when issued/ ww - with warrants. x - ex-dividend or ex-rights. xdis - ex-distribution. xw - without warrants. y- ex-dividend and sales in full. yld - yield. z - sales in full.

INTERNATIONAL FUTURES

Feb. 12, 1997

Grains

	High	Low	Close	Chge	Opint
CORN (CBOT) 5,000 bu minimum- cents per bushel					
Mar 97	274	271¼	273¾	+1¼	105,775
May 97	272¾	270¾	272½	+1¼	84,389
Jul 97	271½	268¾	271½	+1¼	71,165
Sep 97	267½	266	268	+1¼	10,751
Dec 97	268¼	265¾	269	+1	46,410
Est. sales N.A. Tue's. sales 31,343					
Tue's open int 325,057 up 954					
SOYBEAN MEAL (CBOT) 100 tons- dollars per ton					
Mar 97	247.20	241.50	247.50	+5.40	33,724
May 97	241.40	236.50	242.00	+5.80	24,354
Jul 97	239.20	235.20	239.80	+5.60	21,694
Aug 97	237.00	233.00	237.50	+5.80	3,912
Sep 97	230.00	228.00	231.80	+3.50	2,928
Oct 97	221.00	218.50	221.50	+3.50	1,076
Est. sales N.A. Tue's. sales 14,246					
Tue's open int 90,893 up 3459					
SOYBEAN OIL (CBOT) 60,000 lbs- cents per lb					
Mar 97	24.12	23.80	23.95	+0.02	37,214
May 97	24.50	24.18	24.38	+0.11	23,505
Jul 97	24.82	24.56	24.75	+0.11	16,316
Aug 97	24.90	24.70	24.80	+0.03	3,239
Sep 97	25.05	24.85	24.90		2,647
Oct 97	25.08	25.08	25.08	+0.03	863
Est. sales N.A. Tue's. sales 9,158					
Tue's open int 90,013 up 1925					
SOYBEANS (CBOT) 5,000 bu minimum- cents per bushel					
Mar 97	762	752½	764½	+14¾	64,926
May 97	760¾	751½	763	+14½	40,535
Jul 97	759½	751	762½	+14½	36,927
Aug 97	755	747½	758	+15	5,815
Sep 97	724½	719	726	+10¼	1,901
Est. sales N.A. Tue's. sales 47,475					
Tue's open int 169,696 up 924					
WHEAT (CBOT) 5,000 bu minimum- cents per bushel					
Mar 97	365½	354	357	-5	23,140
May 97	362	352½	354½	-4	15,206
Jul 97	347	338½	342¼	-2½	26,942
Sep 97	351½	343½	344½	-4	2,180
Est. sales N.A. Tue's. sales 23,273					
Tue's open int 69,694 off 431					

Livestock

	High	Low	Close	Chge	Opint
CATTLE (CMER) 40,000 lbs.- cents per lb.					
Apr 97	66.20	65.55	65.67	+0.02	42,618
Jun 97	63.97	63.65	63.85	+0.20	17,156
Aug 97	63.75	63.35	63.60	+0.17	17,695
Oct 97	66.95	66.62	66.85	+0.17	11,174
Dec 97	68.95	68.67	68.85	+0.20	4,276
Feb 98	70.25	69.90	70.10	+0.10	2,196
Est. sales N.A. Tue's. sales 13,988					
Tue's open int 181,602 off 1380					
FEEDER CATTLE (CMER) 50,000 lbs.- cents per lb.					
Mar 97	68.17	67.75	68.08	+0.42	6,224
Apr 97	68.75	68.35	68.65	+0.38	3,302
May 97	70.05	69.50	69.95	+0.47	4,944
Aug 97	73.30	72.85	73.30	+0.50	4,159
Sep 97	73.85	73.25	73.85	+0.62	1,559
Oct 97	74.35	73.85	74.35	+0.52	1,849
Est. sales N.A. Tue's. sales 2,316					
Tue's open int 22,635 up 100					
HOGS-Lean (CMER) 40,000 lbs.- cents per lb.					
Apr 97	74.47	73.75	74.40	+0.55	15,910
Jun 97	79.45	78.80	79.30	+0.40	8,583
Jul 97	77.35	76.80	77.40	+0.62	1,904
Aug 97	74.02	73.70	74.07	+0.37	2,161
Oct 97	67.40	66.90	67.25	+0.25	1,380
Dec 97	65.17	64.95	65.15	+0.20	777
Est. sales N.A. Tue's. sales 6,934					
Tue's open int 34,939 up 138					
PORK BELLIES (CMER) 40,000 lbs.- cents per lb.					
Feb 97	77.50	75.10	78.00	+1.77	1,158
Mar 97	78.50	74.80	78.55	+2.80	2,497
May 97	78.75	75.52	78.70	+2.50	3,220
Jul 97	77.50	75.45	77.20	+1.25	663
Aug 97	74.25	73.25	74.25	+1.22	512
Est. sales N.A. Tue's. sales 2,469					
Tue's open int 8,160 off 79					

Food

	High	Low	Close	Chge	Opint
COCOA (NCSE) 10 metric tons- $ per ton					
Mar 97	1239	1211	1231	-13	11,178
May 97	1277	1252	1272	-10	31,396
Jul 97	1307	1286	1303	-9	15,989
Sep 97	1335	1319	1334	-3	9,729
Dec 97	1359	1342	1353	-12	5,114
Est. sales N.A. Tue's. sales 12,203					
Tue's open int 92,071 up 3698					
COFFEE C (NCSE) 37,500 lbs.- cents per lb.					
Mar 97	173.00	160.75	171.50	+7.95	16,179
May 97	164.00	154.30	162.50	+4.95	15,117
Jul 97	159.05	150.25	158.80	+4.95	5,901
Sep 97	152.00	145.25	152.00	+3.80	3,366
Est. sales N.A. Tue's. sales 18,329					
Tue's open int 43,550 off 489					
SUGAR-WORLD 11 (NCSE) 112,000 lbs.- cents per lb.					
Mar 97	10.71	10.56	10.66	+0.03	80,819
May 97	10.68	10.58	10.65	-0.03	39,159
Jul 97	10.52	10.42	10.48	-0.05	28,535
Oct 97	10.50	10.40	10.44	-0.05	20,381
Est. sales N.A. Tue's. sales 24,389					
Tue's open int 146,763 off 546					

	High	Low	Close	Chge	Opint
ORANGE JUICE (NCTN) 15,000 lbs.- cents per lb.					
Mar 97	74.75	72.50	74.55	-5.33	10,228
May 97	78.15	78.15	78.15	-5.00	8,389
Jul 97	81.50	81.40	81.40	-5.00	3,345
Sep 97	84.50	84.40	84.40	-5.00	2,303
Est. sales N.A. Tue's. sales 5,957					
Tue's open int 25,110 off 219					

Metals

	High	Low	Close	Chge	Opint
GOLD (NCMX) 100 troy oz.- dollars per troy oz.					
Feb 97	347.40	338.50	346.40	+5.10	3,655
Mar 97			341.30		65
Apr 97	349.00	338.50	347.30	+5.40	98,016
Jun 97	350.30	340.60	349.60	+5.40	24,493
Aug 97	353.00	344.80	351.40	+5.00	9,751
Oct 97	354.80	347.00	355.50	+6.70	3,497
Dec 97	357.60	348.00	357.50	+6.30	18,811
Feb 98			353.60		3,164
Est. sales N.A. Tue's. sales 31,689					
Tue's open int 195,275 up 322					
HI GRADE COPPER (NCMX) 25,000 lbs.- cents per lb.					
Feb 97	108.50	106.70	108.40	+1.20	1,900
Mar 97	108.25	105.80	107.95	+1.95	23,906
Apr 97	105.50	105.00	106.05	+2.25	1,653
May 97	104.40	102.60	104.25	+2.05	8,032
Jun 97			101.50		862
Jul 97	102.25	101.50	102.50	+2.00	4,699
Aug 97			99.70		614
Sep 97	101.00	100.20	100.90	+2.00	2,423
Oct 97			98.15		584
Est. sales N.A. Tue's. sales 6,694					
Tue's open int 53,402 up 26					
SILVER (NCMX) 5,000 troy oz.- cents per troy oz.					
Feb 97			482.50		8
Mar 97	519.50	481.00	517.00	+33.20	49,580
Apr 97	519.00	490.00	519.00	+32.90	1
May 97	524.50	487.00	523.00	+34.60	19,247
Jul 97	529.00	491.00	525.50	+32.50	9,301
Sep 97	531.00	497.00	536.00	+38.50	3,058
Dec 97	542.00	503.00	537.00	+32.60	5,363
Jan 98			507.20		9
Est. sales N.A. Tue's. sales 38,123					
Tue's open int 91,079 off 936					
PLATINUM (NMER) 50 troy oz.- dollars per troy oz.					
Apr 97	375.00	358.10	373.00	+16.20	20,926
Jul 97	376.50	364.50	377.00	+16.20	3,498
Oct 97	375.00	363.00	378.00	+15.10	2,417
Jan 98			365.20		7,110
Est. sales N.A. Tue's. sales 3,594					
Tue's open int 27,951 up 787					

LONDON METALS (LME) Dollars per metric ton

	Close		Previous	
Aluminum (High Grade)				
Spot	1524.00	1525.00	1525½	1526½
Forward	1557½	1558.00	1559.00	1560.00
Copper Cathodes (High Grade)				
Spot	2374.00	2379.00	2365.00	2370.00
Forward	2248.00	2249.00	2220.00	2222.00
Lead				
Spot	644.00	645.00	639½	640½
Forward	652.00	653.00	649.00	650.00
Nickel				
Spot	7785.00	7795.00	7700.00	7710.00
Forward	7870.00	7880.00	7790.00	7800.00
Tin				
Spot	5865.00	5875.00	5830.00	5840.00
Forward	5930.00	5940.00	5905.00	5910.00
Zinc (Special High Grade)				
Spot	1165.00	1166.00	1154½	1155½
Forward	1188.00	1189.00	1175.00	1176.00

Financial

	High	Low	Close	Chge	Opint
US T. BILLS (CMER) $1 million- pts of 100 pct.					
Mar 97	94.99	94.98	94.99	+0.01	5,802
Jun 97	94.88	94.88	94.88	-0.01	3,330
Sep 97			94.75		885
Dec 97			94.48		847
Est. sales N.A. Tue's. sales 222					
Tue's open int 9,217 up 1					
5 YR. TREASURY (CBOT) $100,000 prin- pts & 64ths of 100 pct					
Mar 97	106-63	106-53	106-52	-06	184,610
Jun 97	106-45	106-40	106-38	-05	13,616
Sep 97			106-27		
Est. sales N.A. Tue's. sales 20,758					
Tue's open int 198,231 up 183					
10 YR. TREASURY (CBOT) $100,000 prin- pts & 32nds of 100 pct					
Mar 97	109-22	109-12	109-13	-03	303,125
Jun 97	109-02	108-27	108-26	-03	41,081
Sep 97			108-13		2,115
Est. sales N.A. Tue's. sales 68,298					
Tue's open int 346,321 off 1721					
US TREASURY BONDS (CBOT) (8 pct-$100,000-pts & 32nds of 100 pct)					
Mar 97	112-24	112-09	112-09	-06	474,995
Jun 97	112-08	111-25	111-26	-05	41,104
Sep 97			111-17		10,475
Dec 97	111-09	111-09	111-09	+05	3,963
Est. sales N.A. Tue's. sales 185,510					
Tue's open int 530,795 up 1803					
GERMAN GOVERNMENT BUND (LIFFE) DM250,000 - pts of 100 pct					
Mar97	103.18	102.76	103.10	+0.19	240,674
Jun97	102.25	101.93	102.24	+0.22	16,460
Est. sales: 207,351. Prev. sales: 173,990					
Prev. open int.: 257,334 up 9,130					
LONG GILT (LIFFE) £50,000 - pts & 32nds of 100 pct					
Mar97	113-17	112-29	113-16	+0-06	193,562
Jun97	113-00	112-15	113-01	+0-06	6,084
Est. sales: 84,857. Prev. sales: 64,741					
Prev. open int.: 199,626 off 1,444					
10-YEAR FRENCH GOV. BONDS (MATIF) FF500,000 - pts of 100 pct					
Mar 97	131.94	131.54	131.74	+0.10	142,955
Jun 97	130.60	130.30	130.46	+0.10	15,047
Sep 97	128.90	128.88	128.78	+0.10	876
Dec 97	N.T.	N.T.	98.04	+0.10	0
Est. volume: 121,550. Open Int.: 158,878 up 4,562.					
ITALIAN GOVERNMENT BOND (LIFFE) ITL 200 million - pts of 100 pct					
Mar97	131.38	130.85	131.02	+0.29	108,249
Jun97	130.61	130.46	130.52	+0.20	14,305
Sep97	N.T.	N.T.	130.50	+0.30	600
Est. sales: 58,853. Prev. sales: 65,396					
Prev. open int.: 123,154 up 3,472					
EURODOLLARS (CMER) $1 million-pts of 100 pct.					
Feb 97	94.49	94.49	94.49		20,072
Mar 97	94.48	94.46	94.48	+0.01	395,427
Apr 97	94.43	94.42	94.43	+0.01	6,926
Jun 97	94.36	94.33	94.34	-0.01	378,768
Sep 97	94.23	94.19	94.21	-0.01	298,148
Dec 97	94.05	94.00	94.02	-0.02	209,944
Mar 98	93.94	93.91	93.91	-0.03	180,105
Jun 98	93.84	93.80	93.82	-0.01	139,888
Sep 98	93.76	93.72	93.74	-0.01	104,514
Dec 98	93.64	93.60	93.61	-0.03	81,829
Mar 99	93.62	93.58	93.59	-0.02	65,442
Jun 99	93.56	93.53	93.53	-0.02	68,146
Sep 99	93.51	93.48	93.46	-0.02	54,902
Dec 99	93.42	93.39	93.39	-0.02	46,045
Est. sales N.A. Tue's. sales 183,989					
Tue's open int 2,306,880 off 3822					
BRITISH POUND (CMER) 62,500 pounds, $ per pound					
Mar 97	1.6428	1.6278	1.6322		33,505
Jun 97	1.6388	1.6266	1.6300		2,650
Sep 97			1.6292		1,068
Dec 97			1.6256		8
Est. sales N.A. Tue's. sales 8,626					
Tue's open int 37,223 up 376					
CANADIAN DOLLAR (CMER) 100,000 dollars, $ per Cdn. dlr					
Mar 97	.7404	.7380	.7390		41,328
Jun 97	.7450	.7425	.7439		8,733
Sep 97	.7485	.7475	.7475		3,586
Dec 97	.7520	.7507	.7516		501
Est. sales N.A. Tue's. sales 5,217					
Tue's open int 54,206 up 141					
GERMAN MARK (CMER) 125,000 marks, $ per mark					
Mar 97	.5984	.5918	.5958		91,381
Jun 97	.6001	.5956	.5995		5,668
Sep 97	.6035	.6020	.6030		2,349
Dec 97			.6071		20
Est. sales N.A. Tue's. sales 38,279					
Tue's open int 199,418 up 102462					
JAPANESE YEN (CMER) 12.5 million yen, $ per 100 yen					
Mar 97	.8155	.8072	.8115		79,499
Jun 97	.8245	.8165	.8221		3,559
Sep 97			.8278		682
Est. sales N.A. Tue's. sales 13,893					
Tue's open int 83,850 off 1523					
SWISS FRANC (CMER) 125,000 francs, $ per franc					
Mar 97	.6994	.6917	.6934		48,044
Jun 97	.7040	.6985	.7005		2,997
Sep 97	.7087	.7070	.7070		1,914
Est. sales N.A. Tue's. sales 15,711					
Tue's open int 52,976 up 2075					
3-MONTH EUROMARK (LIFFE) DM1 million - pts of 100 pct					
Feb97	96.87	96.85	96.86	-0.01	3,249
Mar97	96.90	96.88	96.89	-0.01	200,946
Apr97	96.90	96.89	96.89	-0.01	3,961
Jun97	96.92	96.88	96.90	Unch.	171,981
Sep97	96.86	96.81	96.83	-0.01	150,942
Dec97	96.71	96.65	96.68	-0.01	164,787
Mar98	96.56	96.49	96.52	-0.01	118,288
Jun98	96.37	96.30	96.33	Unch.	105,402
Sep98	96.13	96.07	96.11	+0.01	78,078
Dec98	95.89	95.81	95.86	+0.01	67,360
Mar99	95.64	95.58	95.62	+0.02	46,860
Jun99	95.38	95.33	95.37	+0.02	24,997
Sep99	95.12	95.07	95.11	+0.02	20,413
Dec99	94.87	94.82	94.86	+0.02	17,987
Est. sales: 137,396. Prev. sales: 116,074					
Prev. open int.: 1,178,700 up 6,344					
3-MONTH STERLING (LIFFE) £500,000 - pts of 100 pct					
Mar97	93.72	93.69	93.72	+0.01	103,133
Jun97	93.50	93.42	93.49	+0.02	115,675
Sep97	93.31	93.22	93.30	+0.02	79,647
Dec97	93.17	93.09	93.16	+0.02	54,015
Mar98	93.07	93.00	93.06	+0.02	37,733
Jun98	93.00	92.93	92.98	+0.01	35,278
Sep98	92.93	92.85	92.93	+0.02	21,968
Dec98	92.88	92.83	92.87	Unch.	18,537
Mar99	92.83	92.79	92.82	Unch.	8,699
Jun99	92.75	92.74	92.79	+0.02	7,091
Sep99	92.73	92.69	92.74	+0.02	7,014
Dec99	92.68	92.65	92.70	+0.02	5,209
Est. sales: 92,603. Prev. sales: 65,831					
Prev. open int.: 493,929 up 4,697					
3-MONTH PIBOR (MATIF) FF5 million - pts of 100 pct					
Mar 97	96.72	96.69	96.69	-0.02	66,765
Jun 97	96.77	96.72	96.73	-0.02	51,547
Sep 97	96.75	96.69	96.70	-0.02	35,789
Dec 97	96.68	96.63	96.65	-0.01	31,822
Mar 98	96.57	96.53	96.55	+0.00	18,732
Jun 98	96.43	96.39	96.40	-0.01	17,171
Sep 98	96.25	96.22	96.24	+0.00	11,087
Dec 98	96.03	95.99	96.00	-0.01	9,809
Mar 99	95.76	95.75	95.75	-0.01	12,947
Jun 99	95.51	95.50	95.50	-0.01	6,240
Sep 99	95.26	95.25	95.26	+0.00	3,237
Dec 99	N.T.	N.T.	95.02	+0.00	1,849
Est. volume: 36,796. Open Int.: 267,075 up 697.					
3-MONTH EUROLIRA (LIFFE) ITL 1 million - pts of 100 pct					
Mar97	93.05	92.94	92.97	-0.03	94,979
Jun97	93.62	93.48	93.52	-0.05	79,142
Sep97	93.96	93.86	93.89	-0.03	45,985
Dec97	94.16	94.05	94.07	-0.04	35,149
Mar98	94.30	94.13	94.15	-0.01	14,235
Jun98	94.20	94.14	94.15	Unch.	10,476
Est. sales: 53,993. Prev. sales: 46,409					
Prev. open int.: 280,986 up 1,691					

Industrials

	High	Low	Close	Chge	Opint
COTTON 2 (NCTN) 50,000 lbs.- cents per lb.					
Mar 97	74.80	73.55	73.57	-0.28	17,79[illegible]
May 97	75.45	75.05	75.10	-0.27	22,25[illegible]
Jul 97	76.51	76.15	76.20	-0.15	8,97[illegible]
Oct 97	76.50	76.35	76.38	-0.10	1,3[illegible]
Dec 97	76.65	76.40	76.45	-0.10	12,85[illegible]
Mar 98	77.40	77.40	77.40	+0.05	8[illegible]
Est. sales N.A. Tue's. sales 15,801					
Tue's open int 64,664 up 1322					
HEATING OIL (NMER) 42,000 gal, cents per gal					
Mar 97	62.60	61.15	62.40	+0.54	35,1[illegible]
Apr 97	60.75	59.80	59.90	+0.22	19,9[illegible]
May 97	58.65	57.20	58.15	+0.27	8,8[illegible]
Jun 97	57.60	56.25	57.15	+0.27	7,3[illegible]
Jul 97	57.25	55.75	57.05	+0.62	5,2[illegible]
Aug 97	57.35	56.30	57.35	+0.62	3,5[illegible]
Sep 97	57.80	56.80	57.65	+0.42	3,1[illegible]
Oct 97	58.25	57.30	58.15	+0.42	2,0[illegible]
Nov 97	58.75	58.00	58.75	+0.52	1,9[illegible]
Dec 97	59.05	58.75	58.95	+0.22	4,9[illegible]
Est. sales N.A. Tue's. sales 33,332					
Tue's open int 98,767 up 10					
LIGHT SWEET CRUDE (NMER) 1,000 bbl.- dollars per bbl.					
Mar 97	22.75	22.00	22.48	+0.06	62,190
Apr 97	22.44	21.82	22.20	-0.03	82,638
May 97	22.10	21.58	21.90	-0.05	36,071
Jun 97	21.80	21.34	21.59	-0.10	34,678
Jul 97	21.48	21.12	21.40	-0.05	16,235
Aug 97	21.22	20.92	21.20	-0.02	15,003
Sep 97	21.10	20.95	20.98	-0.02	16,995
Oct 97	20.89	20.60	20.77	-0.02	10,915
Nov 97	20.72	20.72	20.72	+0.12	8,413
Dec 97	20.52	20.20	20.50	+0.06	23,066
Jan 98	20.35	20.15	20.35	+0.05	13,414
Feb 98			20.20		7,979
Mar 98	19.83	19.83	19.83	-0.27	2,168
Est. sales N.A. Tue's. sales 84,374					
Tue's open int 381,539 up 5705					
NATURAL GAS (NMER) 10,000 mm btu's, $ per mm btu					
Mar 97	2.250	2.101	2.120		38,436
Apr 97	2.155	2.065	2.080		22,783
May 97	2.105	2.035	2.045		14,948
Jun 97	2.080	2.035	2.030		9,534
Jul 97	2.075	2.045	2.060		9,317
Aug 97	2.080	2.055	2.065		7,728
Sep 97	2.085	2.060	2.075		6,859
Oct 97	2.095	2.065	2.070		8,700
Nov 97	2.195	2.180	2.180		4,834
Dec 97	2.300	2.285	2.290		7,868
Jan 98	2.335	2.310	2.320		6,628
Est. sales N.A. Tue's. sales 32,491					
Tue's open int 162,436 up 2625					
UNLEADED GASOLINE (NMER) 42,000 gal, cents per gal					
Mar 97	64.90	62.80	64.25	+0.29	28,093
Apr 97	66.60	65.80	66.00	+0.08	27,812
May 97	66.30	64.90	65.60	-0.08	13,326
Jun 97	65.15	64.15	64.85	+0.17	8,172
Jul 97	64.00	63.60	63.90	+0.27	4,838
Aug 97	62.15	61.80	62.15	+0.42	4,066
Est. sales N.A. Tue's. sales 30,634					
Tue's open int 82,868 up 1657					
GASOIL (IPE) U.S. dollars per metric ton - lots of 100 tons					
Feb 97	194.25	191.25	192.50	Unch.	11,021
Mar 97	185.75	180.00	184.50	+1.75	18,376
Apr 97	182.50	178.00	181.75	+1.75	7,583
May 97	179.75	176.00	179.50	+1.50	4,234
Jun 97	179.50	176.75	179.50	+1.75	8,239
Jul 97	179.50	176.75	179.50	+1.75	2,967
Aug 97	179.00	178.50	180.00	+1.00	1,354
Sep 97	N.T.	N.T.	180.50	+1.00	1,068
Est. sales: 31,635. Open Int.: 61,867 off 2,164					
BRENT OIL (IPE) U.S. dollars per barrel - lots of 1,000 barrels					
Mar 97	21.25	20.50	20.52	-0.62	22,424
Apr 97	20.85	20.16	20.24	-0.51	56,422
May 97	20.57	19.85	19.95	-0.48	21,685
June 97	20.25	19.55	19.65	-0.49	17,400
July 97	20.05	19.35	19.42	-0.47	12,511
Aug 97	19.82	19.55	19.26	-0.45	3,780
Sep 97	19.40	19.30	19.10	-0.44	3,514
Est. sales: 58,842. Open Int.: 151,682 off 4,786					

Stock Indexes

	High	Low	Close	Chge	Opint
S&P COMP. INDEX (CMER) 500 x index					
Mar 97	801.50	793.60	798.50	+3.65	178,394
Jun 97	808.60	801.50	806.00	+3.65	11,116
Sep 97			810.20		1,832
Dec 97	823.30	823.30	823.30	+3.20	1,396
Est. sales N.A. Tue's. sales 73,683					
Tue's open int 192,838 off 72					
CAC 40 (MATIF) FF200 per index point					
Feb 97	2621.0	2590.0	2605.0	+14.00	26,264
Mar 97	2626.5	2598.5	2611.5	+14.00	23,062
Apr 97	2626.0	2626.0	2613.0	+14.00	150
Jun 97	2590.0	2578.5	2577.0	+14.00	3,066
Sep 97	2580.5	2580.5	2589.5	+14.50	6,092
Dec 97	N.T.	N.T.	2609.0	+14.50	
Mar 98	N.T.	N.T.	2627.0	+16.00	7,829
Sep 98	N.T.	N.T.	2602.0	+16.00	710
Est. volume: 14,193. Open Int.: 67,174 off 310.					
FTSE 100 (LIFFE) £25 per index point					
Mar97	4320.0	4311.0	4299.0	-2.0	59,091
Jun97	4314.5	4308.0	4316.5	-2.0	5,519
Sep97	N.T.	N.T.	4345.0	-2.0	1,901
Est. sales: 11,654. Prev. sales: 9,308					
Prev. open int.: 64,522 up 748					

Commodity Indexes

	Close	Previous
Moody's	1,486.80	1,485.20
Reuters	1,960.00	1,954.80
D.J. Futures	154.99	153.05
CRB	238.18	237.58

French Rail Firm
Generale des Ea
for Telecom Pr

Alitalia Sees 1996 Loss of $790 Million

WORLD STOCK MARKETS
Wednesday, Feb. 12

French Rail Firm Picks Generale des Eaux-BT For Telecom Project

Bloomberg News

PARIS — France's state-owned railway system chose a venture of Generale des Eaux SA and British Telecommunications PLC on Wednesday as its partner to deliver telecommunications services over the railway's fiber-optic network in competition with France Telecom SA.

The railway system, Societe National des Chemins de Fer, said it would now begin negotiations with the consortium with the aim of finalizing the terms of the agreement by March 31.

The partnership will get a significant head start in the race to prepare for the full opening of France's $28 billion telecommunications market in 1998, with access to the SNCF's ready-made long-distance network.

But it will also inherit tense relations with labor unions, which have resisted the government's plans for reforming the SNCF.

"This will mark a further step toward liberalizing telecommunications in France and establish a very strong competitor to France Telecom," Helen Pickance, an analyst at Dataquest, said. Moves in other European countries, including Germany, Italy and the Netherlands, to link their railways with outside partners have formed the biggest competitors to those nations' operators.

The winner will buy a 49.9 percent stake in the Telecom Development subsidiary of SNCF. The unit will then form a joint venture to develop a full range of services across the network. SNCF will have a minority stake in that company.

Analysts estimated the cost of entering into Telecom Development at about 2 billion to 3 billion French francs ($363 million to $545 million). They put the cost of building up its network to cover all of France at 10 billion to 12 billion francs through 2000. Other bidders for the SNCF partnership included a consortium of Bouygues SA of France and STET SpA of Italy, as well as AT&T-Unisource, a joint venture of AT&T Corp. and the main telephone companies of the Netherlands, Spain, Sweden and Switzerland. AT&T-Unisource is already a partner with Germany's Deutsche Bahn AG in a telecommunications venture.

The agreement is a major blow to Bouygues, which had been the favored candidate but whose financial troubles and weak cash flow have lead analysts and investors to question its ability to become a world-class telecommunications company.

Bouygues, which only entered the telecommunications market as France's third mobile-phone operator in May 1996, does not have an extensive infrastructure. Generale des Eaux already has an infrastructure with its water network, as France's second-biggest cable television and mobile-phone operator and through agreements with highways covering 1,700 kilometer (1,060 miles).

It is also negotiating with the operator of Paris's Metro system to use its communications lines.

Shares of Generale des Eaux closed at 776 francs, up 6, and Bouygues rose 3 to 583.

Alitalia Sees 1996 Loss of $790 Million

Bloomberg News

ROME — Alitalia SpA will post a loss of about 1.3 trillion lire ($790 million) for 1996, Treasury Minister Carlo Azeglio Ciampi said Wednesday.

Speaking to a committee of the lower house of Parliament, Mr. Ciampi also said he was "optimistic" that the European Union would approve a government bailout for the national carrier.

Alitalia has lost 1.1 trillion lire since 1990, including a loss of 310 billion lire in the first half of 1996. The airline narrowed its loss to 91 billion lire in 1995 through one-time gains.

The government's plan to inject 1.5 trillion lire into Alitalia is being investigated by the European Commission to determine whether it constitutes state aid that violates EU rules.

Britain Feels Rate Pressure

Central Bank's Call and Election Calendar Clash

By Erik Ipsen
International Herald Tribune

LONDON — Pressure on the government to raise interest rates mounted Wednesday with reports showing a drop in unemployment twice as big as expected and gains in workers' weekly earnings running well above the rate of inflation.

Those reports coincided with fresh calls from the Bank of England, in its quarterly report on inflation, to raise interest rates.

"We argue for a moderate rise," Mervyn King, chief economist of the Bank of England, said, calling it only "natural" that rates would climb in an economic upturn.

What would not be natural, however, would be for interest rates to go up with a general election no more than three months away. With that in mind, many economists bet that the chancellor of the Exchequer, Kenneth Clarke, the man who ultimately sets the cost of borrowing in Britain, will continue to resist calls for changes.

"There are two things close to Ken Clarke's heart — the manufacturing sector and the voter," said John Barty, an economist with Deutsche Morgan Grenfell, "and both suggest that there will be no rate rise."

The British economy, which grew 2.3 percent last year, is widely forecast to grow 3.5 percent this year. Wednesday's figures, showing a decline in the number of those out of work and seeking benefits to 1,815,000 in January, the lowest level in six years and a fall of 67,800 from the previous month, only added to that bullish picture.

In a recovery that is now five years old, many economists — including those at the Bank of England — argue that such a pace of growth is nothing short of inflationary, or at least would be under normal circumstances.

These, though, are not normal times in Britain. The pound, one of Europe's more downtrodden currencies in the past few decades, has soared 15 percent since August, on a trade-weighted basis.

The more valuable pound, in turn, has led to declines in prices of imports that are only beginning to feed through the economy and that economists suggest will cut the overall rate of inflation this year. That expected decline in inflation has robbed the interest-rate debate of much of its urgency, if not its stridency.

"No matter how wacky your economic model is, if you factor in a 15 percent appreciation in your currency, you will see that inflation gets crushed," said Ian Amstad, an economist with Bankers Trust.

Even the Bank of England, known for its zeal in guarding against inflation, has slightly changed its tune about interest rates. In December it warned that if a quarter-point rate rise did not come that month (which it did not), the central bank would push for an increase of double that amount in February.

As of Wednesday, however, a senior bank official was still pushing for a rise of only a quarter of a point. Many analysts say that a spate of numbers showing a slowdown in the economy's growth — principally, figures showing that retail sales fell 0.8 percent in December — lies behind the bank's moderation.

Others suggest that the bank is simply taking account of developments in its currency, which continued its upward march against the Deutsche mark Wednesday before falling back on mildly bullish words from the Bundesbank about the mark. The pound traded as high as 2.7720 DM, its highest level since just before the pound left the European currency grid in September 1992.

"In an ideal world, the chancellor would raise interest rates," said John O'Sullivan, an economist with NatWest Markets. "But since we are only talking about a quarter of a percentage point, a delay of a few months is not going to hurt much."

■ Political Fire on Europe

Britain came under renewed political fire over its attitude toward Europe after another major company warned that it would reconsider plans to invest there if the country stayed out of a single European currency, Reuters reported.

Niall FitzGerald, chairman of the British-Dutch consumer-products and industrial conglomerate Unilever Group, said in an interview published in The Guardian that "if Britain absented itself, that would certainly lead to reconsideration of certain investment decisions." Toyota Motor Corp. issued a similar warning recently.

Commerzbank Plans a U.S. Purchase

Bloomberg News

SAN FRANCISCO — Commerzbank AG plans to announce the purchase this month of Montgomery Asset Management LP, a San Francisco-based money manager with $8 billion in assets, a spokesman for the German bank said Wednesday.

"Negotiations are continuing, and I expect those negotiations to be completed by the end of the month," Curtis Hoxter, a Commerzbank spokesman in New York, said.

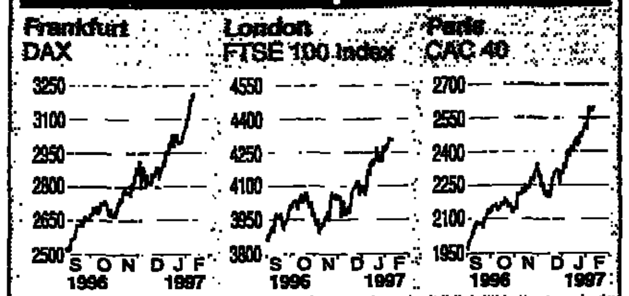
People familiar with the deal said Commerzbank, Germany's third-largest banking company, was expected to pay about $800 million for Montgomery Asset Management.

The company is a rapidly growing mutual-fund group with about half its assets, or $4 billion, spread among 19 mutual funds. Montgomery Securities Inc. owns a majority stake in the asset manager, and senior management controls about 40 percent.

Stephen Doyle, chairman of Montgomery Asset Management, declined to comment Wednesday.

Commerzbank holds a controlling stake in Martingale Asset Management LP of Boston, and its name surfaced last year as a possible bidder for Columbia Management Co., an asset manager in Portland, Oregon. Columbia Management remains an independently run company.

Investor's Europe



Exchange	Index	Wednesday Close	Prev. Close	% Change
Amsterdam	AEX	705.58	698.72	+0.98
Brussels	BEL-20	2,087.43	2,080.94	+0.32
Frankfurt	DAX	3,216.14	3,187.58	+0.90
Copenhagen	Stock Market	532.11	528.07	+0.77
Helsinki	HEX General	2,835.30	2,837.45	-0.08
Oslo	OBX	581.64	577.27	+0.76
London	FTSE 100	4,304.30	4,304.30	Unch.
Madrid	Stock Exchange	475.01	473.24	+0.37
Milan	MIBTEL	12,490.00	12,575.00	-0.68
Paris	CAC 40	2,599.33	2,582.09	+0.67
Stockholm	SX 16	2,787.97	2,790.61	-0.09
Vienna	ATX	1,208.49	1,200.23	+0.69
Zurich	SPI	2,826.29	2,808.04	+0.65

Source: Telekurs — International Herald Tribune

Very briefly:

• **PolyGram NV** shares rose 6 percent, to 88.5 guilders ($47.10) as it reported 1996 earnings that were better than analysts expected. The entertainment unit of **Philips NV** said profit fell 18 percent, to 608 million guilders, including a charge of 160 million guilders to restructure music operations. Sales rose 8 percent to 9.49 billion guilders. PolyGram plans to set up a film-distribution network in the United States this year.

• **Bouygues SA,** France's largest construction company, said fourth-quarter sales fell 5 percent, to 22.5 billion French francs ($3.99 billion), as the government reduced spending on roads and public buildings. Bouygues said progress in international construction and services such as real-estate and telecommunications helped offset declines in French construction.

• **SA des Galeries Lafayette,** the French retailer, said sales rose 5 percent in the fourth quarter, to 8.57 billion francs, raising hopes that the slide in French consumer spending has halted. Annual sales were steady, at 28.72 billion francs. The news comes on top of a government report that consumer confidence rose in January for the third straight month.

• **Axa SA,** the largest French insurer, said its 1996 net profit was between 3.5 billion francs and 3.8 billion francs, in line with expectations; the company, which took over a rival, **Union des Assurances de Paris,** late last year in a $9 billion stock swap, would not provide specific figures.

• **Hafslund Nycomed A/S,** a Norwegian energy company, said 1996 pretax profit fell 4 percent, to 327 million kroner ($49.4 million), as low water levels slowed hydroelectric power production. Sales rose 15 percent, to 1.50 billion kroner.

• **Italy's** treasury minister, Carlo Ciampi, confirmed that the merger between **Societa Finanzaria Telefonica,** the telecommunications holding company known as STET SpA, and its main subsidiary, **Telecom Italia SpA,** would take place by June; STET is scheduled to be privatized in the autumn.

AFP, Bloomberg, Bridge News

The Trib Index

Prices as of 3:00 P.M. New York time.

Jan. 1, 1992 = 100.	Level	Change	% change	year to date % change
World Index	151.98	+0.80	+0.53	+15.25
Regional Indexes				
Asia/Pacific	109.83	+0.72	+0.66	–18.20
Europe	160.90	-1.47	–0.91	+15.61
N. America	177.91	+3.37	+1.93	+38.69
S. America	139.31	+4.31	+3.19	+56.46
Industrial Indexes				
Capital goods	178.74	+2.31	+1.31	+34.51
Consumer goods	171.95	+1.94	+1.14	+24.54
Energy	178.67	+2.32	+1.31	+31.89
Finance	110.43	+0.16	+0.15	–13.20
Miscellaneous	161.46	-0.33	–0.20	+18.89
Raw Materials	182.26	+1.30	+0.72	+28.53
Service	142.09	+2.35	+1.68	+18.41
Utilities	133.83	+0.91	+0.68	+5.26

The International Herald Tribune World Stock Index © tracks the U.S. dollar values of 280 internationally investable stocks from 25 countries. For more information, a free booklet is available by writing to The Trib Index, 181 Avenue Charles de Gaulle, 92521 Neuilly Cedex, France. *Compiled by Bloomberg News.*

WORLD STOCK MARKETS

Wednesday, Feb. 12
Prices in local currencies.
Telekurs

Amsterdam
AEX index: 705.58 Previous: 698.72

	High	Low	Close	Prev.
ABN-AMRO	127.70	125	125.50	126.70
Aegon	118.50	116.10	118	115.80
Ahold	119.90	118.10	118.70	118.10
Akzo Nobel	289.50	285.80	287.40	284.50
Boon Co.	88.80	87.70	88.50	87.30
Bols Wess cva	34.70	34	34.60	34.30
CSM cva	113.60	110	112.50	110.60
Dordtsche Pet	355.20	352.30	354.20	350
DSM	181	178.50	179.60	178.50
Elsevier	29.30	28.90	29.10	29
Fortis Amev	70.70	69.70	70	69.60
Getronics	61	58	59	57.20
G-Broc cva	58.80	57.50	58.30	59.10
Hagemeyer	151.50	149.20	149.50	149.40
Heineken	316.80	312.50	314.70	315.50
Hoogovens cva	77.90	76.60	77.30	77.40
Hunt Douglas	131.40	128.90	130.20	130.60
ING Group	71.90	70.70	70.80	71.20
KLM	54.70	53.90	54.10	54.10
KNP BT	43	40.40	41.10	40.40
KPN	67.30	66.40	66.60	66.50
Nedlloyd Gp	55.90	54.50	55.80	55
Nutricia	275.60	273.50	274	274
Oce Grinten	241	234.20	236.50	237.50
Philips Elec	78.20	73.90	78.10	73.60
Polygram	95	85	88.50	83.30
Randstad Hdg	135.80	133.80	134.40	134.50
Robeco	159.80	158.80	159.80	156.10
Rodamco	61.90	61	61.30	60.40
Rolinco	163.90	163.20	163.90	161.10
Rorento	109.60	109.40	109.40	109
Royal Dutch	335.80	333	335.80	330
Unilever cva	336.20	332.50	336	331.30
Vendex Intl	87.10	86	86.10	85.80
VNU	38.20	37	38.20	37.10
Wolters Kl cva	225.50	222.50	225.50	221.90

Bangkok
SET index: 722.57 Previous: 733.99

	High	Low	Close	Prev.
Adv Info Svc	230	224	226	228
Bangkok Bk F	214	202	202	214
Krung Thai Bk	45.25	43	43.25	44.50
PTT Explor	334	326	326	330
Siam Cement F	716	692	696	712
Siam Com Bk F	159	153	154	158
Telecomasia	43.75	42	42.75	42
Thai Airways	38.25	36.75	36.75	37
Thai Farm Bk F	134	123	123	134
Utd Comm	157	149	153	153

Bombay
Sensex 30 index: 3483.48 Previous: 3582.27

	High	Low	Close	Prev.
Bajaj Auto	940	908	929.50	916.25
Hindust Lever	918	903	910.25	908.75
Hindust Petm	384	374.25	376.50	379.75
Ind Dev Bk	95.50	94.75	94.75	94.50
ITC	424.50	404	416.75	409
Mahanagar Tel	244	237.50	240.50	240.25
Reliance Ind	277.50	270.75	271.25	278
State Bk India	284.75	277	277.25	282.75
Steel Authority	22.75	22	22.25	22.25
Tata Eng Loco	338	328	331	333.25

Brussels
BEL-20 index: 2087.43 Previous: 2080.94

	High	Low	Close	Prev.
Almanij	12650	12600	12650	12600
Barco Ind	5880	5810	5840	5830
BBL	7390	7200	7200	7210
Bekaert	20075	19900	20050	19850
CBR	3350	3300	3320	3300
CMB	2320	2305	2320	2260
Cobepa	1264	1258	1262	1254
Cockerill	116	114	115	115
Colruyt	15475	14800	15175	15325
Delhaize Lion	2035	2000	2035	1990
Electrabel	8060	8000	8050	7990
Electrafina	3270	3250	3270	3250
Fortis AG	5800	5740	5760	5860
Gevaert	2460	2420	2450	2385
GIB	1595	1575	1590	1575
GBL	4645	4595	4635	4590
Gen Banque	12550	12375	12525	12325
Kredietbank	11650	11525	11600	11475
Petrofina	11975	11825	11925	11900
Powerfin	4850	4810	4825	4845
Royale Belge	7760	7670	7690	7650
Soc Gen Belg	2730	2705	2725	2715
Solvay	21400	20850	21000	21450
Tractebel	14850	14725	14825	14750
UCB	95000	94600	94600	94300
Union Miniere	2555	2535	2545	2515

Copenhagen
Stock index: 532.11 Previous: 528.07

	High	Low	Close	Prev.
BG Bank	289	280	282	284
Carlsberg B	413	403	410	403
Codan Fors	990	970	975	972.50
Danisco	367	361	365	361
Den Danske Bk	563	554	560	554
D/S Svendborg B	266000	264000	266000	262000
D/S 1912 B	186186	184000	186000	183000
FLS Ind B	864	858.93	866	855
Kbh Lufthavne	685	680	685	679
Novo Nordisk B	602	594	598	590
Sophus Ber B	920	908	920	909
Tele Danmark B	367	363	364.64	364
Tryg Baltica	371	359	366	360
Unidanmark A	353	345	350	345

Frankfurt
DAX: 3216.14 Previous: 3187.58

	High	Low	Close	Prev.
AMB B	995	995	995	975
Adidas	152.50	151.70	152.50	150.10
Allianz Hldg	3202	3163	3189	3155
Altana	1393	1384	1398	1356
Bk Berlin	33.25	32.70	32.70	33.65
BASF	63.90	63.15	63.25	62.04
Bay Hypo Bk	51.95	51.35	51.45	51.80
Bay Vereinsbank	63.97	62.30	63.97	62.60
Bayer	67.98	67.20	67.98	66.42
Beiersdorf	95	92.50	94.50	90.60
BMW	1165	1146	1159	1125
Commerzbank	43.70	43.45	43.50	43.30
Daimler Benz	125.10	123.80	124.35	122.30
Degussa	736	720	720	719
Deutsche Bank	84.85	84.15	84.48	84.10
Deut Telekom	32.73	32.53	32.63	32.58
Dresdner Bank	54.10	53.35	53.40	53.27
Fresenius	324	318	324	319
Fresenius Med	148.40	146.85	148	145.10
Fried. Krupp	264.50	260	260	260.60
Gehe	119	110	116.50	109.50
Heidelbg Zmt	141.50	140	141	141.50
Henkel pfd	88.60	87.80	87.85	87.70
Hochtief	74	74	73.10	72
Hoechst	75.85	73.30	75.60	74.75
Karstadt	528	515	517	527.50
Linde	1135	1115	1118	1106
Lufthansa	24.05	23.60	23.93	23.60
MAN	442	428	429	437.50
Mannesmann	697	687	687.50	694
Metallgesellschaft	33.30	33.01	33.01	33.15
Metro	132.50	131.50	131.50	131.20
Munich Rueck R	3995	3950	3975	3900
Preussag	416.50	411	413.50	413
RWE	74.50	74	74.25	73.60
SAP pfd	258	252	256.50	253
Schering	147.50	145.55	147.30	145.40
Siemens	87.58	87	87.05	86.60
Thyssen	323.50	319.50	320.50	321.50
Veba	93.65	92.55	93.55	92.30
VEW	505	503	505	502
Viag	714.50	710	712.50	707
Volkswagen	804.50	797.50	802.50	795.75

Helsinki
HEX General index: 2835.30 Previous: 2837.45

	High	Low	Close	Prev.
Cultor 1	300	290	300	289
Enso A	40.70	40.10	40.10	40.30
Huhtamaki I	219	218	218	219
Kemira	59	57.70	57.70	59
Kesko	73	70.50	70.70	70.50
Merita A	18.30	17.30	17.50	17.70
Metra B	289	287	286	280
Metso-Serla B	38.40	37.50	38.40	37.60
Neste	136.50	131	133	137
Nokia A	324.50	321	323	324
Orion-Yhtymae	180	177	179.20	176
Outokumpu A	77.20	76.30	77.20	76.50
Rautaruukki	43	42	42.20	42.20
Sampo Insur	430	424	425	425
UPM Kymmene	101	99.30	99.50	100.20
Valmet	90.30	89.60	89.80	89.50

Hong Kong
Hang Seng: 13462.61 Previous: 13454.21

	High	Low	Close	Prev.
Amoy Props	10.10	9.90	10.05	10
Bk East Asia	34.20	33.60	33.70	34
Cathay Pacific	12.05	11.95	12.05	12
Cheung Kong	75	73.50	74.75	73.75
CK Infrastruct	22.05	21.55	21.60	22
China Light	36	35.70	35.70	36.40
China Overs Ld	4.08	4	4.08	4
China Res Ent	16.45	16.10	16.40	16.05
Chin Estates	8.60	8.40	8.50	8.45
Citic Pacific	38.80	38.10	38.40	38.50
Cosco Pacific	9.45	9.25	9.30	9.20
Dao Heng Bk	39.20	38.40	38.50	39.10
First Pacific	11.10	11	11.05	11.05
Great Eagle	33	32.60	33	32.80
Guangdong Inv	6.95	6.80	6.90	6.90
Guoco Group	44.80	43.90	43.90	44.90
Hang Lung Dev	15.80	15.70	15.70	16
Hang Seng Bk	91.75	90.50	90.75	91.50
Henderson Inv	8.95	8.85	8.95	8.80
Henderson Ld	71.50	68.50	71	70
HKR Intl	11.60	11.40	11.50	11.35
HK China Gas	14.75	14.60	14.65	14.70
HK Electric	27.15	26.95	27	27.30
HK Shang Htls	13.90	13.60	13.75	13.75
HK Telecomm	13.60	13.45	13.50	13.55
Hopewell Hdgs	4.55	4.48	4.48	4.53
HSBC Hdgs	188.50	185.50	187.50	187
Hutchison Wh	59.50	58	58	59
Hysan Dev	27.50	27.15	27.40	27.25
Johnson El Hdg	23.50	23.40	23.40	23.50
Kerry Props	20	19.85	19.85	20.10
Natl Mutual	8.50	8	8.40	8
New World Dev	50.50	49	50	49.50
N World Infrastr	23.25	23	23.20	23
Oriental Press	2.90	2.80	2.85	2.78
Pearl Oriental	6.15	5.90	6.15	5.95
Shanghai Indus	29	27.70	29	27.60
Shangri-La Asia	10.90	10.75	10.75	10.90
SHK Props	90.25	88	89	88.25
Shun Tak Hdgs	5.65	5.50	5.65	5.60
Sino Land Co.	9	8.75	8.85	8.85
Sth China Post	6.50	6.30	6.45	6.25
Swire Pac A	69.25	67.75	68.25	68.50
Tsim Sha Tsui	22.20	22.30	22.20	21.95
TV Broadcasts	33.90	33.10	33.50	32.50
Wharf Hdgs	35.50	34.90	35.30	35.50
Wheelock	21.20	20.90	21.10	21.20

Jakarta
Composite index: 701.85 Previous: 694.28

	High	Low	Close	Prev.
Astra Intl	6300	6250	6300	6250
Bk Intl Indon	1875	1825	1850	1825
Bk Negara	1725	1675	1700	1650
Gudang Garm	11550	11300	11400	11250
Indocement	3525	3525	3525	3500
Indofood	5350	5275	5275	5350
Indosat	6975	6800	6975	6750
Sampoerna HM	15150	14800	15000	14800
Semen Gresik	7400	7200	7275	7450
Telekomunikasi	4225	4200	4225	4200

Johannesburg
All Market: 6966.41 Previous: 6974.97

	High	Low	Close	Prev.
Amalgamated Bks	28.25	28	28.25	28.10
AngloAm Coal	309	309	309	310
AngloAm Corp	271	267.75	270	268
AngloAm Gold	307	305.50	305.50	308
AngloAm Ind	178.50	175	175	179
Barlow	51.75	51.50	51.50	51.25
C.G. Smith	25.25	25	25.15	25.15
De Beers	151.75	149.25	150.75	149
Driefontein	43.50	42.75	42.50	42.75
Fst Natl Bk	27.50	27.40	27.50	27.45
Gencor	19.35	18.95	19.05	19.35
GFSA	115	113	113	115.25
Iscor	3.65	3.60	3.60	3.65
Liberty Hldgs	345	342.50	342.50	345
Liberty Life	130	128.50	129	130
Minorco	106.25	105.75	106.25	107
Nampak	20.20	19.30	19.30	20.15
Nedcor	79.75	79	79.75	79.75
Rembrandt Gp	47.75	47.25	47.60	47.60
Richemont	62.25	61	62	61.50
Rust Platinum	63.50	62.75	63.50	63.25
SA Breweries	134	132.75	133.25	133.75
Samancor	55	52	55	53
Sasol	52	51.50	51.75	52
SBIC	189	185	187	188.75
Tiger Oats	71.25	70.50	71	70.75

Kuala Lumpur
Composite: 1254.42 Previous: 1241.95

	High	Low	Close	Prev.
Genting	17.20	16.90	17	17.20
Mal Banking	29.75	29	29.50	29.25
Mal Intl Ship F	6.35	6.25	6.25	6.30
Petronas Gas	9.15	9.05	9.10	9.15
Renong	4.95	4.72	4.92	4.70
Resorts World	12.40	11.90	12.40	11.80
Sime Darby	9.75	9.35	9.35	9.65
Telekom Mal	20.50	19.80	19.80	20.40
Tenaga	12.70	12	12.30	11.90
Utd Engineers	23.30	23.10	23.40	23.10

London
FT-SE 100: 4304.30 Previous: 4304.30

	High	Low	Close	Prev.
Abbey Natl	7.95	7.81	7.93	7.83
Allied Domecq	4.40	4.18	4.22	4.28
Anglian Water	6.32	6.17	6.30	6.39
Argos	6.57	6.50	6.53	6.49
Asda Group	1.16	1.11	1.15	1.12
Assoc Br Foods	4.98	4.93	4.97	4.98
BAA	5.42	5.30	5.41	5.29
Barclays	11.87	11.75	11.78	11.77
Bass	8.66	8.53	8.56	8.57
BAT Ind	5.49	5.32	5.35	5.36
Bank Scotland	3.58	3.46	3.51	3.52
Blue Circle	4.16	4.03	4.09	4.16
BOC Group	9.52	9.44	9.46	9.45
Boots	7	6.83	6.89	6.99
BPB Ind	3.50	3.40	3.41	3.47
Brit Aerosp	12.28	11.85	11.90	12.30
Brit Airways	5.92	5.86	5.91	5.93
Brit Gas	2.41	2.37	2.39	2.38
Brit Land	5.22	5.11	5.13	5.24
Brit Petm	7.07	6.92	7.01	6.89
BSkyB	6.58	6.48	6.54	6.48
Brit Steel	1.44	1.39	1.41	1.42
Brit Telecom	4.43	4.39	4.42	4.39
BTR	2.51	2.40	2.42	2.49
Burmah Castrol	10.37	10.21	10.25	10.33
Burton Gp	1.50	1.46	1.48	1.46
Cable Wireless	5.12	4.93	5.09	4.92
Cadbury Schw	4.85	4.75	4.79	4.82
Carlton Comm	5.54	5.43	5.47	5.52
Coml Union	7.45	7.23	7.26	7.46
Compass Gp	7.22	7.12	7.20	7.14
Courtaulds	3.93	3.81	3.86	3.94
Dixons	5	4.88	4.91	4.95
Electrocomponents	4.27	4.16	4.16	4.27
EMI Group	11.75	11.15	11.62	11.25
Enterprise Oil	6.58	6.33	6.39	6.58
Fam Colonial	1.56	1.55	1.56	1.56
Gen'l Accident	8.67	8.58	8.63	8.66
GEC	3.96	3.82	3.84	3.93
GKN	9.85	9.63	9.66	9.81
Glaxo Wellcome	10.25	10.05	10.10	10.17
Granada Gp	8.99	8.84	8.91	8.91
Grand Met	4.49	4.38	4.42	4.46
GRE	3.01	2.94	2.95	2.96
Greenalls Gp	5.55	5.46	5.49	5.49
Guinness	4.42	4.35	4.40	4.36
GUS	6.27	6.10	6.20	6.22
Hanson	0.90	0.88	0.88	0.88
Hays	5.64	5.61	5.66	5.64
HSBC Hldgs	14.94	14.37	14.93	14.82
ICI	7.64	7.49	7.59	7.46
Impl Tobacco	4.49	4.06	4.09	4.08
Kingfisher	6.72	6.63	6.69	6.69
Ladbroke	2.37	2.33	2.35	2.34
Land Sec	7.97	7.80	7.86	7.93
Lasmo	2.45	2.38	2.39	2.41
Legal Genl Grp	4.15	4.10	4.13	4.12
Lloyds TSB Gp	5.08	4.90	4.99	4.92
LucasVarity	1.99	1.91	1.94	1.96
Marks Spencer	4.93	4.79	4.81	4.93
MEPC	4.68	4.65	4.67	4.69
Mercury Asset	13.75	13.61	13.69	13.66
National Grid	2.86	2.82	2.84	2.85
Natl Power	5.15	5.05	5.11	5.06
NatWest	8.37	8.20	8.29	8.33
Next	5.71	5.65	5.69	5.68
Orange	2.18	2.12	2.15	2.09
P&O	6.70	6.62	6.65	6.63
Pearson	7.67	7.46	7.64	7.45
Pilkington	1.37	1.33	1.35	1.38
PowerGen	6.57	6.40	6.55	6.39
Premier Farnell	5.45	5.35	5.37	5.40
Prudential	5.87	5.77	5.79	5.86
Railtrack PP	3.92	3.85	3.91	3.89
Rank Group	4.27	4.15	4.23	4.25
Reckitt Colm	7.41	7.32	7.35	7.38
Redland	3.44	3.35	3.44	3.38
Reed Intl	10.84	10.66	10.70	10.79
Rentokil Initial	4.93	4.83	4.89	4.79
Reuters Hdgs	6.54	6.33	6.51	6.25
Rexam	3.35	3.25	3.28	3.30
RMC Group	9.47	9.35	9.46	9.45
Rolls Royce	2.33	2.18	2.30	2.30
Royal Bk Scot	6.20	6.11	6.18	6.18
RTZ reg	9.12	9	9.02	9.10
Royal & Sun All	5.73	5.01	5.84	5.13
Safeway	3.58	3.39	3.57	3.50
Sainsbury	3.19	3.09	3.14	3.13
Schroders	17.65	17.50	17.58	17.55
Scot Newcastle	6.95	6.82	6.91	6.80
Scot Power	3.64	3.56	3.58	3.62
Securicor	2.99	2.95	2.98	2.98
Severn Trent	7.24	7.10	7.15	7.17
Shell Transp R	10.65	10.53	10.62	10.54
Siebe	9.92	9.60	9.65	9.53
Smith Nephew	1.80	1.78	1.79	1.80
SmithKline	8.65	8.54	8.58	8.59
Smiths Ind	7.47	7.41	7.54	7.64
Sthern Elec	7.65	7.58	7.62	7.65
Stagecoach	7.25	7.19	7.22	7.20
Stand Charter	8.17	7.98	8.06	8.14
Tate & Lyle	4.40	4.35	4.37	4.39
Tesco	3.40	3.36	3.38	3.32
Thames Water	6.75	6.57	6.74	6.67
3i Group	5.28	5.21	5.26	5.23
TI Group	5.36	5.13	5.17	5.25
Tomkins	2.93	2.88	2.91	2.89
Unilever	14.80	14.58	14.70	14.72
Utd Assurance	5.48	5.41	5.46	5.43
Utd News	6.99	6.66	6.69	6.70
Utd Utilities	6.83	6.67	6.80	6.76
Vendome Lx uts	4.96	4.92	4.95	4.94
Vodafone	2.89	2.79	2.80	2.85
Whitbread	8.18	8.01	8.16	8
Williams Hdgs	3.36	3.33	3.35	3.34
Wolseley	5.02	4.94	4.97	4.82
WPP Group	2.47	2.44	2.45	2.45
Zeneca	17.89	17.65	17.72	17.81

Madrid
Bolsa index: 475.01 Previous: 473.24

	High	Low	Close	Prev.
Acerinox	18980	18750	18830	18640
ACESA	1775	1740	1750	1765
Aguas Barcelon	5900	5770	5790	5820
Argentaria	5900	5810	5840	5880
BBV	8630	8500	8620	8500
Banesto	1100	1085	1090	1085
Bankinter	19900	19760	19850	19880
Bco Centro Hisp	3815	3775	3795	3780
Bco Exterior	2875	2850	2850	2815
Bco Popular	25650	25410	25530	25300
Bco Santander	9070	9000	9060	9000
CEPSA	4450	4395	4400	4400
Continente	2560	2520	2560	2500
Corp Mapfre	8170	8110	8170	8110
Endesa	9530	9400	9430	9500
FECSA	1280	1260	1265	1260
Gas Natural	33500	32810	32900	33280
Iberdrola	1645	1600	1615	1625
Pryca	2705	2630	2695	2615
Repsol	5690	5610	5620	5610
Sevillana Elec	1485	1350	1380	1350
Tabacalera	6760	6610	6610	6730
Telefonica	3350	3305	3350	3325
Union Fenosa	1180	1165	1170	1170
Valenc Cement	1495	1495	1495	1495

Manila
PSE index: 3339.83 Previous: 3358.70

	High	Low	Close	Prev.
Ayala B	30	29.50	29.50	30
Ayala Land	32.50	32	32	32
Bk Philip Isl	188	182	188	183
C&P Homes	13.50	12.50	12.75	13.50
Manila Elec A	129	127	128	126
Metro Bank	740	715	725	720
Petron	11	10.50	11	11
PCIBank	368	357.50	360	360
Phil Long Dist	1595	1580	1580	1580
San Miguel B	100	98	98	101
SM Prime Hdg	7.60	7.50	7.50	7.50

Mexico
Bolsa index: 3801.38 Previous: 3758.03

	High	Low	Close	Prev.
Alfa A	44.50	43.80	44.00	43.70
Banacci B	19.06	17.80	19.04	17.60
Cemex CPO	31.40	30.50	30.75	30.60
Cifra C	11.34	11.18	11.22	11.26
Emp Modema	44.70	43.65	44.00	43.60
Gpo Carso A1	47.90	47.05	47.20	47.00
Gpo Fin Inbursa	28.50	28.20	28.40	28.30
Kimb Clark Mex	170.30	168.40	170.10	168.40
Televisa CPO	107.80	104.80	107.60	104.30
TelMex L	15.76	15.24	15.60	15.24

Milan
MIB Telematico: 12490.00 Previous: 12575.00

	High	Low	Close	Prev.
Alleanza Assic	13230	13055	13200	12920
Bca Comm Ital	3695	3470	3500	3650
Bca Fideuram	4650	4600	4620	4600
Bca di Roma	1424	1350	1368	1406
Benetton	20500	19700	19750	20100
Credito Italiano	2515	2405	2410	2500
Edison	10000	9505	9505	9825
ENI	9075	8880	8935	8930
Fiat	5340	5210	5295	5280
Generali Assic	33600	32850	32900	33200
IMI	14295	13900	13900	16030
INA	2370	2320	2335	2360
Italgas	6640	6550	6580	6590
Mediaset	7400	7210	7255	7340
Mediobanca	12220	11950	12060	11825
Montedison	1315	1284	1290	1293
Parmalat	2595	2485	2505	2700
Pirelli	3670	3565	3565	3645
RAS	16575	16200	16300	16320
Rolo Banca	18000	17850	18000	17710
S Paolo Torino	11850	11415	11415	11545
Stet	8280	8105	8140	8155
Telecom Italia	4595	4500	4585	4545
TIM	4850	4725	4725	4800

Montreal
Industrials index: 2988.39 Previous: 2972.82

	High	Low	Close	Prev.
Bce Mob Com	42.30	42.10	42.20	42.20
Cdn Tire A	22¾	22	22¾	22.00
Cdn Util A	32.20	32.15	32.20	32.20
CT Finl Svc	31.70	31.70	31.70	31.70
Gaz Metro	16.55	16¼	16.30	16¼
Gt-West Lifeco	22.30	22.15	22¼	22
Imasco	39.30	38	39¼	38.20
Investors Grp	27.55	26¾	26¾	26¾
Loblaw Cos	16.95	16.60	16.60	16¾
Natl Bk Canada	16.15	15.90	15.85	15.85
Power Corp	29¼	28.65	28.65	29.15
Power Finl	26.70	26½	26½	26.40
Quebecor B	25.45	25¼	25¼	25¼
Rogers Comm B	9	8.80	8.95	8.85
Royal Bk Cda	55.20	54.60	54.65	54.80

Oslo
OBX index: 581.64 Previous: 577.27

	High	Low	Close	Prev.
Aker A	182	179.50	182	179
Bergesen Dy A	142	140	142	142
Christiania Bk	24.60	23.50	24.60	23.40
Den norske Bk	29	27.50	28.80	27.70
Elkem	102	97.50	101.50	98
Hafslund A	50	48.50	50	48.50
Kvaerner Asa	342	335	341	331.50
Norsk Hydro	368	361	361.50	365.50
Norske Skog A	200	199	199	198
Nycomed A	105	102	103	105.50
Orkla Asa A	507	501.50	501.50	505
Petm GeoSvc	270	265	269	265
Saga Petm A	115	112	114	113
Schibsted	133	126	131	125
Transocean Off	373	367	373	366
Storebrand Asa	39	38.70	39	39.10

Paris
CAC-40: 2599.33 Previous: 2582.09

	High	Low	Close	Prev.
Accor	742	727	730	730
AGF	205.80	190.20	195	189
Air Liquide	920	891	913	913
Alcatel Alsth	595	577	585	587
Axa-UAP	380.60	367	372.90	379.80
Bancaire	735	700	720	700
BIC	913	897	909	905
BNP	241	231	237.50	229.50
Canal Plus	1178	1159	1168	1165
Carrefour	3387	3333	3385	3336
Casino	248.90	247	247.50	247
CCF	275.80	268	274	268.50
Cetelem	731	690	708	691
Christian Dior	900	890	890	892
CLF-Dexia Fran	529	521	524	521
Credit Agricole	1260.10	1260	1260.10	1261
Danone	848	837	845	839
Elf-Aquitaine	562	548	555	551
Eridania BS	903	892	894	889
Eurotunnel	7.30	7.10	7.28	7.25
Gen. Eaux	787	775	776	770
Havas	447	440	445.30	441.40
Imetal	877	851	865	877
Lafarge	370	358	368.10	362.80
Legrand	958	935	945	950
L'Oreal	2044	1966	2018	1959
LVMH	1443	1423	1425	1415
Lyon. Eaux	579	568	569	570
Michelin B	340	334	335.50	341.90
Paribas A	400	393.50	398.50	390.80
Pernod Ricard	312	305.10	305.80	309
Peugeot Cit	624	609	614	614
Pinault-Print	2499	2393	2401	2444
Promodes	1655	1630	1650	1620
Renault	129	122.20	126.80	128
Rexel	1728	1695	1705	1736
Rh-Poulenc A	185.50	182	184	182.20
Roussel-Uclaf	1540	1530	1531	1531
Sanofi	592	583	574	580
Schneider	299.50	292.10	298	297.10
SEB	1104	1092	1092	1100
SGS Thomson	387.60	383.30	386	386
Ste Generale	682	650	651	665
Sodexho	2713	2687	2708	2700
St Gobain	855	830	845	825
Suez	271.70	265.50	271	262.40
Synthelabo	609	580	605	583
Thomson CSF	172.40	169	172	172
Total B	478.40	470.60	473.20	468.10
Usinor	82.50	79.50	81.10	79.45
Valeo	398.90	387.10	398.90	390

São Paulo
Bovespa index: 86706.30 Previous: 83165.50

	High	Low	Close	Prev.
Bradesco Pfd	9.45	8.90	9.38	8.80
Brahma Pfd	734.00	710.00	733.00	705.00
Cemig Pfd	50.00	48.50	49.00	47.60
CESP Pfd	62.00	59.50	61.70	59.20
Copel	15.48	15.10	15.40	15.01
Eletrobras	461.00	449.00	456.00	440.00
Itaubanco Pfd	550.00	515.00	548.99	515.00
Light Servicios	411.00	398.00	411.00	392.00
Lightpar	335.10	329.99	329.99	327.00
Petrobras Pfd	226.00	218.00	223.50	215.99
Telebras Pfd	97.60	94.50	97.50	93.30
Telemig	160.00	148.00	158.00	148.00
Telerj	167.00	156.00	165.00	155.00
Telesp Pfd	287.00	268.00	285.00	268.00
Unibanco	39.30	38.00	39.00	37.070
CVRD Pfd	27.15	26.40	26.50	26.10

Seoul
Composite index: 712.50 Previous: 713.43

	High	Low	Close	Prev.
Dacom	116000	113500	115000	113500
Daewoo Heavy	5180	5000	5020	5150
Kia Motors	16000	15700	15700	15800
Korea El Pwr	28000	27500	27800	27800
Korea Exch Bk	7500	7300	7300	7350
Korea Mob Tel	550000	538000	545000	537000
LG Semicon	20000	19500	19600	19600
Pohang Iron St	43500	42800	43200	42600
Samsung Elec	57500	54200	56300	54700
Shinhan Bank	11000	10700	10900	10900

Singapore
Straits Times: 2224.64 Previous: 2197.06

	High	Low	Close	Prev.
Asia Pac Brew	8.20	8.15	8.15	8.25
Cerebos Pac	10.30	10.20	10.30	10.10
City Devits	15.20	14.70	15	14.60
Cycle Carriage	15.10	14.90	14.90	15
Dairy Farm Int *	0.81	0.79	0.80	0.79
DBS foreign	20	19.60	20	19.50
DBS Land	6	5.80	5.90	5.80
Far East Levlng	6.85	6.70	6.75	6.75
Fraser & Neave	13.40	13.20	13.40	13.10
HK Land *	2.98	2.94	2.97	2.99
Jard Matheson *	6.30	6.15	6.20	6.15
Jard Strategic *	3.42	3.40	3.42	3.44
Keppel	11.10	10.90	11	10.90
Keppel Bank	4.22	4.16	4.20	4.14
OCBC foreign	19.40	18.50	19.40	18.40
OS Union Bk F	11.30	11.30	11.40	11.20
Parkway Hdgs	6.05	5.90	5.95	5.95
Sembawang	8.05	8	8	8
Sing Air foreign	13.50	13.40	13.50	13.50
Sing Land	8.45	8.40	8.45	8.40
Sing Press F	29	28.30	29	28.10
Sing Tech Ind	3.84	3.78	3.84	3.80
Sing Telecomm	3.38	3.32	3.36	3.32
Straits Steam	5.10	4.92	5.10	4.92
Tat Lee Bank	3.54	3.52	3.54	3.50
Utd Industrial	1.25	1.21	1.25	1.20
Utd O'Sea Bk F	16.90	16.30	16.80	16.40
Wing Tai Hdgs	4.54	4.48	4.54	4.48

*: in U.S. dollars.

Stockholm
SX 16 index: 2787.97 Previous: 2790.61

	High	Low	Close	Prev.
AGA B	108	106.50	108	106
ABB A	946	916	929	935
AssiDoman	187	183	187	185.50
Astra A	361	354	355.50	357.50
Atlas Copco A	175.50	173.50	174	174.50
Autoliv	328	323	323	326
Electrolux B	470	455	457	453
Ericsson B	248	244	246	248
Hennes B	1065	1043	1045	1047
Incentive A	539	529	530	531
Investor B	347	340	341	344
MoDo B	224	218	223	216
Nordbanken	226.50	223	226.50	222.50
Pharm/Upjohn	271	267.50	269.50	268
Sandvik B	199	197	197.50	197
Scania B	192.50	190	191.50	190
SCA B	160	157	160	156
S-E Banken A	70.50	68.50	69.50	68
Skandia Fors	208	204	204	206
Skanska B	310	307.50	310	306
SKF B	187.50	184.50	184.50	185
Sparbanken A	116.50	114.50	116.50	114
Stadshypotek A	189	188.50	189	189.50
Stora A	102.50	97.50	101.50	97
Sv Handles A	190.50	188.50	188.50	188
Volvo B	185	182	183	183

Sydney
All Ordinaries: 2472.50 Previous: 2448.10

	High	Low	Close	Prev.
Amcor	8.35	8.24	8.35	8.24
ANZ Bkng	8.33	8.25	8.30	8.22
BHP	17.92	17.42	17.78	17.65
Boral	3.55	3.47	3.53	3.46
Brambles Ind.	23	22.85	22.90	23
CBA	14	13.50	13.91	13.41
CC Amatil	13.40	13.28	13.30	13.37
Coles Myer	5.20	5.08	5.20	5.07
Comalco	6.80	6.65	6.80	6.78
CRA	19	18.84	18.92	18.90
CSR	4.55	4.48	4.54	4.48
Fosters Brew	2.66	2.59	2.65	2.59
Gen Prop Trust	2.50	2.46	2.49	2.47
GIO Australia	3.47	3.41	3.46	3.40
Goodman Fld	1.57	1.55	1.57	1.56
ICI Australia	12.78	12.60	12.68	12.65
John Fairfax	3.06	3.02	3.05	3.04
Lend Lease	23.38	22	23.11	23.30
Mayne Nickless	7.75	7.64	7.69	7.66
MIM Hdgs	1.78	1.74	1.77	1.76
Nat Aust Bank	16.10	15.88	16.07	15.86
Nat Mutual Hdg	1.89	1.84	1.88	1.84
News Corp	6.79	6.69	6.76	6.67
Normandy Min	1.70	1.63	1.69	1.67
North Ltd	4.25	4.15	4.22	4.17
Pacific Dunlop	3.13	3.08	3.12	3.10
Pioneer Intl	3.97	3.82	3.96	3.83
Pub Broadcast	6.85	6.72	6.82	6.74
Qantas Airways	2.42	2.38	2.42	2.38
Santos	4.80	4.74	4.79	4.74
Southcorp	4.47	4.35	4.42	4.35
Wesfarmers	9.85	9.61	9.82	9.65
WMC	8	7.84	7.95	7.85
Westfield Trust	2.49	2.46	2.47	2.46
Westpac Bkng	7.88	7.65	7.80	7.63
Woodside Pet	9.44	9.33	9.39	9.40
Woolworths	3.42	3.34	3.38	3.34

Taipei
Stock Market index: 7424.10 Previous: 7410.47

	High	Low	Close	Prev.
Cathay Life Ins	179	176	176	178
Chang Hwa Bk	169	167	168	168
Chiao Tung Bk	84	82.50	82.50	83.50
China Develpmt	96	94	95	94.50
China Steel	25.40	25	25.10	25.30
First Bank	178	176	176	177
Formosa Plastic	71	69	69.50	70.50
Hua Nan Bk	144	142	142	143.50
Intl Comm Bk	83.50	82	82.50	83
Nan Ya Plastics	65	64	64	64.50
Shin Kong Life	113	109.50	110	113
Taiwan Semi	62	59	62	58
Tatung	53	52.50	53	52.50
Utd Micro Elec	41.50	40.10	40.40	40
Utd World Chin	70.50	70	70	70

Tokyo
Nikkei 225: 18418.96 Previous: 18181.17

	High	Low	Close	Prev.
Ajinomoto	1070	1060	1060	1030
All Nippon Air	771	755	770	764
Asahi Bank	819	806	806	817
Asahi Chem	647	639	639	640
Asahi Glass	1070	1050	1060	1050
Bk Tokyo Mitsu	1870	1840	1860	1830
Bk Yokohama	621	618	619	618
Bridgestone	2190	2140	2160	2130
Canon	2670	2600	2630	2570
Chubu Elec	2050	2010	2020	2040
Chugoku Elec	2030	2000	2080	2020
Dai Nipp Print	2000	1970	1970	1990
Dai-Ichi Kang	1270	1250	1250	1260
Daiwa Bank	502	497	500	495
Daiwa House	1420	1410	1420	1410
Daiwa Sec	901	894	895	891
DDI	7190a	7080a	7110a	7160a
Denso	2530	2470	2510	2460
East Japan Ry	5060a	4980a	5040a	4970a
Eisai	2378	2350	2360	2350
Fanuc	3640	3520	3640	3570
Fuji Bank	1250	1230	1240	1230
Fuji Photo	3960	3790	3940	3740
Fujitsu	1240	1210	1230	1200
Hachijuni Bk	1050	1030	1030	1040
Hitachi	1090	1070	1090	1090
Honda Motor	3550	3450	3510	3380
IBJ	1430	1390	1390	1430
Itochu	575	567	573	565
Ito-Yokado	5690	5520	5650	5490
JAL	508	504	506	505
Japan Tobacco	8170a	8080a	8100a	8070a
Jusco	3500	3390	3440	3420
Kajima	748	730	737	747
Kansai Elec	2160	2100	2100	2140
Kao	1320	1290	1320	1280
Kawasaki Hvy	497	487	488	487
Kawa Steel	305	297	305	296
Kinki Nipp Ry	730	720	724	722
Kirin Brewery	1080	1060	1070	1050
Kobe Steel	211	203	204	203
Komatsu	878	848	848	845
Kubota	565	554	554	533
Kyocera	7230	7100	7210	7000
Kyushu Elec	2060	2020	2030	2040
LTCB	396	383	383	385
Marubeni	490	476	490	481
Marui	1920	1870	1880	1640
Matsu Elec Ind	1930	1880	1910	1860
Matsu Elec Wk	1030	1010	1030	1020
Mitsubishi	1140	1110	1120	1120
Mitsubishi Ch	340	333	334	335
Mitsubishi El	690	682	682	679
Mitsubishi Est	1330	1290	1300	1270
Mitsubishi Hvy	884	866	884	856
Mitsubishi Mat	897	890	890	892
Mitsubishi Tr	1260	1230	1250	1230
Mitsui	914	897	902	910
Mitsui Fudosn	1220	1180	1220	1160
Mitsui Trust	724	708	708	709
Murata Mfg	4150	4100	4150	3950
NEC	1440	1400	1430	1390
Nikon	1700	1680	1680	1570
Nikko Sec	668	650	654	665
Nintendo	8020	7890	8020	7860
Nipp Express	726	715	718	720
Nippon Oil	524	516	516	520
Nippon Steel	301	293	301	288
Nissan Motor	790	765	783	760
NKK	243	238	240	236
Nomura Sec	1580	1550	1560	1540
NTT	8570a	8440a	8510a	8450a
NTT Data	3240b	3210b	3210b	3200b
Oji Paper	680	656	676	652
Osaka Gas	302	290	292	303
Ricoh	1440	1390	1430	1380
Rohm	8630	8500	8630	8230
Sakura Bk	677	668	672	670
Sankyo	3780	3550	3710	3540
Sanwa Bank	1320	1290	1290	1290
Sanyo Elec	506	496	496	492
Secom	6680	6440	6550	6390
Seibu Rwy	4600	4450	4600	4330
Sekisui House	1080	1060	1070	1090
Seven-Eleven	7380	7180	7380	7000
Sharp	1620	1590	1600	1570
Shikoku El Pwr	2020	2010	2020	2020
Shin-etsu Ch	2340	2260	2320	2260
Shizuoka Bk	1050	1030	1040	1030
Softbank	11700	10900	11300	10600
Sony	8960	8600	8900	8550
Sumitomo	910	895	898	904
Sumitomo Bk	1300	1280	1280	1260
Sumit Chem	458	452	454	449
Sumitomo Elec	1680	1660	1670	1660
Sumit Metal	275	268	272	270
Sumit Trust	930	923	925	923
Taisho Pharm	2950	2810	2890	2820
Takeda Chem	2580	2510	2550	2480
TDK	8070	7950	8010	7880
Tohoku El Pwr	2030	2000	2000	2020
Tokai Bank	915	902	905	900
Tokio Marine	1110	1080	1090	1090
Tokyo El Pwr	2240	2190	2190	2230
Tokyo Electron	4290	4110	4260	4110
Tokyo Gas	302	293	294	302
Tokyu Corp.	551	535	536	549
Tonen	1250	1220	1240	1220
Toppan Print	1410	1380	1380	1380
Toray Ind	714	696	710	694
Toshiba	712	699	704	703
Tostem	2940	2910	2940	2940
Toyo Trust	760	738	738	760
Toyota Motor	3370	3290	3360	3250
Yamanouchi	2360	2300	2360	2280

a: x 100; b: x 1,000

Toronto
TSE Industrials: 6163.62 Previous: 6126.92

	High	Low	Close	Prev.
Abitibi Price	21.95	21.80	21.85	21.95
Alberta Energy	30.60	29.95	30⅛	30
Alcan Alum	47.30	46.70	47.20	46.85
Anderson Expl	16¾	16.55	16.65	16.60
Bk Montreal	50.60	49.90	50	50.15
Bk Nova Scotia	53.65	52.65	52.70	52¾
Barrick Gold	36⅝	34½	36.35	35.20
BCE	71.10	70.30	71.10	70.40
BC Telecomm	31	30.80	30.95	30.80
Biochem Pharm	N.T.	N.T.	N.T.	74½
Bombardier B	25.65	25.40	25.45	25.60
Brascan A	30.80	30.60	30¾	30.80
Bre-x Minerals	22.90	22.40	22.80	22¼
Cameco	53¾	52	52.35	51.85
CIBC	66¾	66.20	66.45	66.70
Cdn Natl Rail	52	51.30	51.80	51.10
Cdn Nat Res	34.45	33.65	34	34.40
Cdn Occid Pet	23¾	23⅛	23.35	23.40
Cdn Pacific	35.65	35.15	35.45	35.05
Cominco	39	38.70	38¾	38.80
Dofasco	26.45	26.15	26.20	26.20
Domtar	12	11.90	11.95	11.95
Donohue A	26.15	26	26.15	26
Du Pont Cda A	33	32.70	32.70	32½
Edper Group	21.40	21.20	21.20	21.40
EuroNev Mng	37.45	36.30	37.05	36.90
Fairfax Finl	300	297	298	299
Falconbridge	30.15	29.80	30.15	29.85
Fletcher Chall A	21.80	21¾	21.80	21.80
Franco Nevada	59	58.10	58.85	58.65
Gulf Cda Res	10.35	10.05	10¼	10.30
Imperial Oil	64½	64.30	64.45	64.40
Inco	47	45.95	46.60	46.30
IPL Energy	41¼	40.55	40.90	41¼
Laidlaw B	17.90	17¾	17.80	17.90
Loewen Group	48¼	47¼	47.90	47.30
Macmill Bldl	17.80	17.35	17¾	17.35
Magna Intl A	73	70.40	71.40	72.80
Methanex	14.20	13½	14.10	13.60
Moore	28.85	28.35	28¾	28.30
Newbridge Net	44¾	43¾	44½	42.60
Noranda Inc	32.80	32.40	32¾	32¾
Norcen Energy	30.65	30.40	30.55	30.60
Nthern Telecom	98	96.60	97¾	96.70
Nova	13	12.70	12.95	12.80
Onex	23.45	23.15	23.35	23¼
Pancdn Petlm	55½	54½	54¾	55
Petro Cda	20.45	20.30	20.40	20.40
Placer Dome	28.20	26½	27.70	27.15
Poco Petlm	14.10	13.80	13.95	13.85
Potash Sask	106.95	103	106.35	103.80
Renaissance	44.60	43¾	44½	44.35
Rio Algom	32.20	31.60	32.15	32
Rogers Cantel B	26.70	26.10	26½	26½
Seagram Co	56.85	55½	55.90	56.40
Shell Cda A	56.90	56.30	56.55	56.90
Stone Consold	20.40	20.30	20.40	20.40
Suncor	59.90	59.05	59.40	59½
Talisman Eny	45.40	44.35	45.05	44.90
Teck B	31	30.60	31	30.65
Teleglobe	41.95	39½	41½	39.35
Telus	21.15	20.60	21.15	20.60
Thomson	28	27¾	28	27.95
TorDom Bank	39.80	39.30	39.40	39.45
Transalta	16.70	16.55	16.70	16½
TransCda Pipe	25.40	25.15	25.35	25.15
Trimark Finl	44¾	44¼	44.60	44.45
Trizec Hahn	33¼	32.60	33.10	33.30
TVX Gold	10.60	9¾	10.30	10.10
Westcoast Eny	24.95	24.70	24.85	24.85
Weston	74¾	74¼	74¾	74¼

Vienna
ATX index: 1208.49 Previous: 1200.23

	High	Low	Close	Prev.
BBAG	782	780	780	782
Boehler-Uddeh	818.25	805	811	805
Brau-Un Goess	680	665	680	673
Creditanst Pfd	422.15	418	421.95	416.20
EA-Generali	3440	3405	3405	3405
EVN	1730	1724	1729.90	1728
Flughafen Wien	570	560	570	559
Mayr-Melnhof	618	610	613.10	602.50
OMV	1398	1379	1391	1379.90
Oest Elektriz	877	865	872.10	871
Radex-Hera	405.10	390.50	402	391
VA Stahl	443.50	440	441.10	439
VA Tech	1850	1803	1803	1806.50
Wienerberg Bau	2134.50	2119	2123	2110
Wolford	1446	1440	1440	1449

Wellington
NZSE-40 index: 2326.27 Previous: 2318.80

	High	Low	Close	Prev.
Air N Zeald B	3.80	3.79	3.80	3.80
Brierly Invt	1.35	1.32	1.34	1.32
Carter Holt ord	3.30	3.23	3.29	3.24
Fletch Ch Bldg	4.61	4.55	4.57	4.56
Fletch Ch Eny	4.06	4.03	4.05	4.04
Fletch Ch Forst	2.13	2.10	2.11	2.09
Fletch Ch Paper	2.85	2.78	2.83	2.78
Lion Nathan	3.67	3.65	3.65	3.60
Telecom NZ	7.03	6.95	6.98	6.94
Wilson Horton	N.T.	N.T.	N.T.	11.30

Zurich
SPI index: 2826.29 Previous: 2808.04

	High	Low	Close	Prev.
ABB B	1864	1842	1845	1828
Adecco B	443	434	435.50	432
Alusuisse R	1203	1175	1177	1201
Ares-Serono B	1545	1505	1505	1535
Atel R	865	850	857	865
Baloise Hdg R	2945	2880	2915	2930
BK Vision	830	806	830	806
Clariant R	677	667	675	663
Crd Suisse Gp R	151	149.25	149.75	149.50
Elektrowatt B	539	538	539	539
Ems-Chemie	5650	5500	5600	5520
ESEC Hdg	4650	4570	4600	4640
Holderbank B	1080	1062	1080	1073
Nestlé R	1620	1597	1615	1584
Novartis R	1760	1733	1742	1742
Pargesa Hld B	1530	1495	1500	1520
PharmVisn B	744	740	744	741
Richemont A	2030	2000	2020	1965
Roche Hdg PC	12510	12430	12470	12375
SBC R	277.50	274	274.50	275
SGS B	3360	3300	3350	3320
SMH B	958	946	953	952
Sulzer R	973	960	971	959
Swiss Reins R	1468	1459	1468	1451
Swissair R	1349	1329	1340	1330
UBS B	1280	1245	1275	1243
Winterthur R	867	851	865	863
Zurich Assur R	433	420	428	419

NYSE

Wednesday's 4 P.M. Close

Nationwide prices not reflecting late trades elsewhere.

The Associated Press

FOR INVESTMENT INFORMATION

Read

THE MONEY REPORT

every Saturday

in the IHT.

Herald Tribune INTERNATIONAL

PUBLISHED WITH THE NEW YORK TIMES AND THE WASHINGTON POST

THE WORLD'S DAILY NEWSPAPER

Continued on Page 16

هذا من الأصل

ASIA/PACIFIC

An Innovator Rocks Japan's Securities Industry

By Velisarios Kattoulas
International Herald Tribune

TOKYO — Michio Matsui has shaken up Japan's clubby securities industry, and not only have his efforts paid off, but his competitors have been forced to follow his lead.

Mr. Matsui, 43, is president of Matsui Securities, which by some calculations is Japan's most profitable brokerage firm. In the past five years, the company's customer base has increased nearly sevenfold. Matsui has consistently made money with a staff of 150 spread among only three branches.

"I bump into the presidents of other brokerages at industry meetings all the time," Mr. Matsui said, "and they look at me as though I was an alien and say 'What do you think you're doing?' "

Just what has Mr. Matsui done? Two weeks ago, he announced that his company would halve the commissions on trading in shares listed on Japan's over-the-counter market starting March 3.

Until now, Japanese brokerage concerns have all charged identical commissions on such trades, by agreement with the Japan Securities Dealers Association, an industry group. Japan's brokers rely on commissions for the bulk of their income.

But last week, three midsized brokerage firms said they, too, would cut in half their commissions on trades of over-the-counter stocks. Kaneju Securities Co., Nippon Securities Co. and Naruse Securities Co., all based in Tokyo, said their new fee structure would take effect this week.

The Tokyo branch of Paribas Securities also followed Mr. Matsui's move on the commissions. A broker there called Mr. Matsui one of Japan's most innovative business executives. Last year, Mr. Matsui angered his peers by offering to store customers' share certificates for free. Japanese brokerages typically charge for this service.

Mr. Matsui seemingly never tires of lambasting the cartel-like behavior of Japan's financial industry, nor is he afraid to predict the imminent collapse of as many as 140 of its 200 brokerage companies. Only a few of those firms have made any money in the past five years.

"All I've really done," Mr. Matsui said, "is stick my hand in the air and say that I'm going to compete."

The animosity Mr. Matsui has provoked for his initiatives reflects the fragility of Japan's brokerage industry. It also highlights the anxiety many brokers feel about Japan's looming "Big Bang," in which authorities have vowed to make the country's financial sector as competitive as those in America and Britain by 2001.

"In the past 30 years, there has not been a single bankruptcy in Japan's brokerage industry, because it has been completely shielded from competition," Mr. Matsui said. "The only way to stand out was to add staff or branches.

"So what you have is 200 mini-Nomuras offering exactly the same services," he added, referring to Japan's largest brokerage concern, Nomura Securities Co.

In Japan, brokerage companies buy and sell stocks and bonds for customers and for their own accounts. The larger ones also handle stock-market listings and bond issues. To protect existing companies, the Finance Ministry has frozen the approval of licenses for new Japanese brokerage firms for 30 years.

"If Japan's brokerage industry had been free and we were going to make it freer, then that would be one thing," Mr. Matsui said. "But it's been protected for so long that the "Big Bang" will probably trigger the collapse of between half and two-thirds of Japan's brokerages. What we are facing here is essentially the collapse of the industry as it is today and the emergence of a completely new industry."

Born in the rural Nagano Prefecture west of Tokyo, Mr. Matsui studied economics at Hitotsubashi University in Tokyo before joining Japan's biggest shipping company, NYK Corp., in 1976.

At that time, Japan's shipping industry was as cosseted as the country's brokerage industry is today. But the growth of global trade soon threw Japan's shipping companies into direct competition with more efficient

NYT

Michio Matsui, in his office.

overseas shippers and forced them to innovate and cut costs to survive. It was during his 11 years at NYK that Mr. Matsui learned the free-market doctrines he preaches and practices.

"I just thank the gods I experienced the liberalization of Japan's shipping industry and that I now have the chance to apply the lessons I learned to a business as protected as stockbroking" in Japan, he said.

Mr. Matsui joined Matsui Securities — which his family founded in 1918 — in 1987. He then spent 18 months training at Nikko Securities Co., one of Japan's Big Four brokerage concerns, before becoming managing director at Matsui in 1988, senior managing director two years later and president and chief operating officer in 1995.

One of his first steps after the collapse of Japan's stock market in the early 1990s was to abandon door-to-door and cold-call telephone sales and launch a nationwide newspaper advertising campaign.

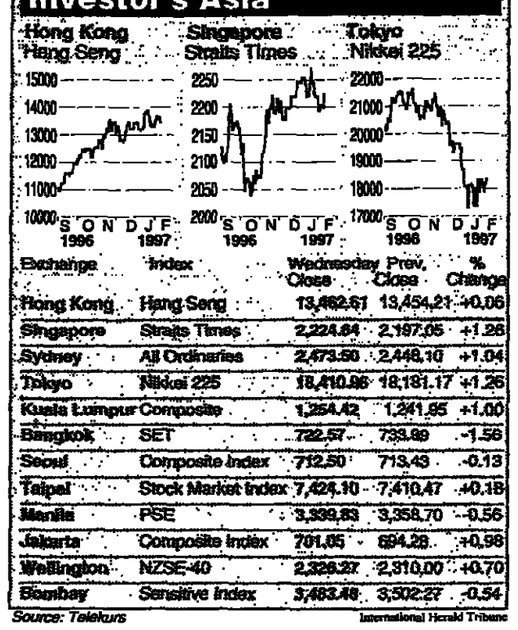
"Nobody had heard of Matsui Securities, so the idea was to make ourselves known and to get investors to come to us," he said.

It worked. Since 1990, Matsui Securities' customer total has risen from 3,000 to about 20,000. The company posted an operating profit of 560 million yen ($4.5 million) in the year that ended March 31, 1996, up from 112 million yen a year earlier. Although Matsui is only Japan's 67th-largest brokerage in terms of capital, its return on capital for the year of 11 percent made it Japan's most profitable brokerage.

For the year ending March 31, operating profit will be around 700 million yen and return on capital around 13 percent, Mr. Matsui said.

"So far, I've just been locky," Mr. Matsui said. "All I'm doing is preparing for the day when Japan's brokerage industry becomes free and open. That's when the competition will really start."

Investor's Asia



Exchange	Index	Wednesday Close	Prev. Close	% Change
Hong Kong	Hang Seng	13,462.61	13,454.21	+0.06
Singapore	Straits Times	2,224.64	2,197.05	+1.26
Sydney	All Ordinaries	2,473.50	2,448.10	+1.04
Tokyo	Nikkei 225	18,410.96	18,181.17	+1.26
Kuala Lumpur	Composite	1,254.42	1,241.95	+1.00
Bangkok	SET	722.57	733.99	-1.56
Seoul	Composite Index	712.50	713.43	-0.13
Taipei	Stock Market Index	7,424.10	7,410.47	+0.18
Manila	PSE	3,339.83	3,358.70	-0.56
Jakarta	Composite Index	701.05	694.28	+0.98
Wellington	NZSE-40	2,326.27	2,310.00	+0.70
Bombay	Sensitive Index	3,483.48	3,502.27	-0.54

Source: Telekurs International Herald Tribune

Very briefly:

• **Taiwan**, the world's third-largest producer of computer equipment, will scrap tariffs on 201 information-technology products in four stages ending Jan. 1, 2000, the Board of Foreign Trade said. The government will eliminate tariffs on eight other items — mainly telecommunications products — by Jan. 1, 2002.

• **Thailand's** stock benchmark, the Stock Exchange of Thailand Index, fell 11.42 points, or 1.56 percent, to 722.57, its lowest level since June 1992, on fears of a weaker baht.

• **MBf Capital Bhd.**, owner of Malaysia's largest finance company, soared to a record in Kuala Lumpur; the stock closed at 4.86 ringgit ($1.96), up 0.14, or 3 percent.

• **Indonesian** stocks rose to a record as institutional investors bid up bank and tobacco shares. The Jakarta Stock Market Composite Index rose 6.77 points, or 0.98 percent, to 701.05, breaching the 700 level for the first time.

• **Swiss Bank Corp.** said it would buy the 49.9 percent of its Australian investment-banking arm, **SBC Warburg Australia**, that it did not already own. It will buy the shares from a group of SBC Warburg Australia executives; the price was not disclosed.

• **DSM NV**, a Dutch plastics and chemicals producer, said it had agreed to set up a joint venture with **Japan Synthetic Rubber Co.** as of April 1. The Tokyo-based venture, to be called DSM-JSR Engineering Plastics, will concentrate on the marketing and sale of engineering plastics in Japan, DSM said.

• **Western Mining Corp.** posted a sharp drop in half-year net profit but predicted a better second half. Consolidated net profit fell 46 percent from a year earlier, to 100.7 million Australian dollars ($76.5 million), in the period ended Dec. 31. The result included a one-time loss of 10.6 million dollars.

• **Seven Network Ltd.**, an Australian television broadcaster, reported first-half net profit of 63 million Australian dollars ($47.9 million), down 32 percent.

• **Canon Inc.** said pretax profit rose 56 percent in 1996 from a year earlier, to a record 125.23 billion yen ($1.08 billion), as revenue rose 13 percent, to 1.4 trillion yen. *Bloomberg, AFP*

Chevron's Kazak Success Sets Example

Oil Companies Follow Lead in Venture Into Former Soviet Lands

By Agis Salpukas
New York Times Service

NEW YORK — When Chevron Corp. began spending what would become $700 million on the Tengiz oil fields of Kazakstan, its competitors were at best skeptical.

They saw the republics of the former Soviet Union as unstable and dangerous, not as places to commit their investment capital. The San Francisco-based oil giant became a favorite target among top executives of other major producers who liked to point out the folly of spending big money there before the political situation had sorted itself out.

For a while, their skepticism seemed justified. Even when Chevron was able to get oil out of the ground, it could not always ship it, because of political infighting and limited pipeline capacity.

Recently, however, many of the skeptics had to swallow their words.

Most big oil companies have changed their minds and followed Chevron's lead into the former Soviet lands. Mobil Corp. has even bought a stake in the Chevron venture.

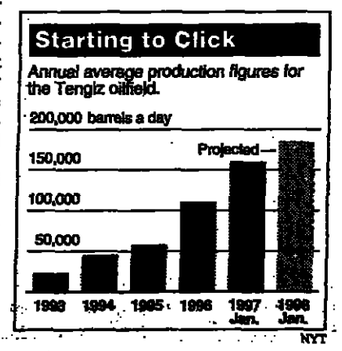
And Wednesday, Jeet Bindra, recently named president of the Chevron Pipe Line Co., was expected to tell stock analysts at a meeting in New York that Chevron made well over $80 million from the oil field last year, way up from $1 million in 1995.

The profit — the exact amount will be disclosed in the company's annual report, which will come out in six weeks — is only a small fraction of the $1.1 billion that Chevron earned overseas in 1996 from exploration and production.

Nonetheless, it is more than many expected. Chevron, the only Western company to export significant quantities of oil from former Soviet territory, attributes its success to an approach from which all parties benefit.

Starting to Click

Annual average production figures for the Tengiz oilfield.



NYT

Nick Zana, director general of Tengiz Chevroil, a joint company that operates the field, noted that Russia was willing to open more pipeline capacity when the partnership offered to ship crude oil to some Russian refineries to help keep them running and then ship the refined products.

The strengthened financial expectations for the Tengiz field — situated on the northeastern shore of the Caspian Sea — were encouraging to some analysts. They were still cautious, though, as to whether the project would live up to its vast potential.

"Chevron went in there first and it is finally starting to click," said Adam Sieminski of NatWest Securities. He calculated that Chevron was making close to $4 a barrel on the oil from the Tengiz fields, an amount in line with the profit from its other foreign fields.

But the quantities of oil are still not large. He calculated that Chevron's share of the oil shipped last year averaged 51,000 barrels a day and would rise to about 85,000 barrels a day this year.

But Mr. Sieminski said the big payoff would come when a consortium — made up of the governments of Russia, Kazakstan and the Gulf sultanate of Oman, as well as eight energy companies — builds a pipeline that is to run from western Kazakstan to a Russian port, Novorossiysk, on the Black Sea.

The pipeline, expected to cost about $2 billion and to be completed by 1999, could eventually lead to the export of about 1.5 million barrels a day.

Chevron formed the joint venture with the Kazak government in 1993, each owning 50 percent. Mobil bought half of the Kazak stake last May for about $1 billion. And last month Lukoil, the giant Russian oil company, bought a 5 percent stake from Chevron for about $200 million.

Sony's Latest Toy: Digital Animation

Bloomberg News

TOKYO — Sony Computer Entertainment Inc., the video-game maker Namco Ltd. and Polygon Pictures Inc. said Wednesday they planned to establish a digital-animation studio to make movies similar to Walt Disney Co.'s "Toy Story."

The Japan-based venture, to be called Dream Pictures Studio Inc., is to be capitalized at 200 million yen ($1.6 million). Sony Computer Entertainment and Namco each will own 45 percent, and Polygon will take the remaining 10 percent.

"Hollywood has turned dramatically to digitalization," said Toshifumi Kawahara, president of the new studio, who is joining it from Polygon. "Japan needs a computer-graphics studio to compete with those in the U.S."

The studio aims to produce a full-length movie animated entirely by computer by Christmas 1999. The initial budget for the film, which the company plans to release in the United States and Japan, is $60 million.

"I'm confident we can make as much money as 'Toy Story,' " Mr. Kawahara said. "Toy Story," produced by Walt Disney and the computer-graphics studio Pixar Inc., grossed $180 million after its holiday-season release. It was the first full-length movie to be animated by computer.

The studio also plans to animate computer games, said Shigeo Maruyama, president of Sony Computer Entertainment. "The new studio will make all types of digital contents — not just movies," he said.

Sony Computer Entertainment, which makes the PlayStation video-game machine, is a subsidiary of Sony Corp. and Sony Music Entertainment (Japan) Inc., both of which own half.

Privately held Polygon Pictures has produced digitally animated television commercials, including a well-known spot for hair gel that features a penguin with spiked hair.

Sony Corp. shares rose 350 yen, or 4.1 percent, to 8,900, after the news, while Sony Music shares rose 130, or 3.1 percent, to 4,390. Shares in Namco, which also makes computer games and operates arcades, rose 40, or 1.2 percent, to 3,370.

INTEL: *Andy Grove Puts the Chips on the Entertainment Industry*

Continued from Page 11

powerful talent agency built by the former Disney executive Michael Ovitz. It opened in December in the agency's Beverly Hills offices with a digital Danny DeVito trumpeting the computer industry's plunge into entertainment.

"We're trying to get Hollywood to see the advantages of making the PC another channel for their films," said Andre Bertrand, a content specialist at Intel.

Industry analysts welcome Intel's flourishing 'content' investments, but remain highly skeptical about the chip maker's prospects for full-blown media ownership. A number of technology companies have tried sailing into content development waters and ended up foundering in a sea of red ink. AT&T's attempt to generate material for its ill-fated on-line ventures, for example, lost hundreds of millions of dollars.

"It would be a much further jump for them away from their core business than it has been for Microsoft," said Gene DeRose, president of Jupiter Communications, L.L.C., a New York company that tracks the computer and on-line industry.

With investments in MSNBC, the recording industry and a broad spectrum of multimedia publishing, Microsoft has charged aggressively into the business of creating media.

"Intel should invest in content like film, TV and other media, but not own it outright. They're still a little clunky for that," Mr. DeRose said. "Now that they're having to evangelize their MMX technology to consumers on a mass scale, they have to develop content compelling enough to make buying a new computer worth the expense," he explained.

With an overall investment of from $3 billion to $5 billion in the development of the MMX chip, according to Mr. Whittier, Intel must take an aggressive stance in generating the interactive films, video and music that would make it worthwhile for consumers to fork out $3,000 for a newly upgraded computer. "Better content accelerates the need for processors," he said.

The so-called Webisodes the company has conjured up with CNET, an Internet broadcaster and Web site developer, are examples of this new content.

On computers equipped with the MMX chip, users can call up a series of interactive games, concerts and video over the Internet that are downloaded in a matter of seconds and possess more nuanced sound without the need for a $300 sound card.

The chip improves overall computer performance by 60 percent, according to Mr. Bertrand.

Mr. Whittier said Intel is expecting to sell 2 million MMX enhanced computers by the end of the year, with more than 200 new CD-ROM and game titles exploiting the new technology available by the Christmas season.

■ Stock Options for Employees

Intel, aglow with record revenues and profits, is sharing the wealth, The Associated Press reported from San Jose, California.

The world's largest maker of computer chips said Tuesday that it will grant potentially lucrative stock options to virtually all its nearly 50,000 employees.

WORLD BALANCED FUND
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Notice is hereby given to the shareholders, that the

ANNUAL GENERAL MEETING

of shareholders of WORLD BALANCED FUND will be held at the offices of Banque Internationale à Luxembourg, 69, route d'Esch, L-1470 Luxembourg, on February 21, 1997 at 11:00 a.m. with the following agenda:

1. Submission of the Report of the Board of Directors and of the Auditors;
2. Approval of the Statement of Net Assets at November 30, 1996 and the Statement of Operations for the year ended November 30, 1996;
3. Allocation of the Net results;
4. Discharge to the Directors;
5. Statutory Appointments;
6. Miscellaneous

The shareholders are advised that no quorum is required for the items on the agenda of the Annual General Meeting and that decisions will be taken on a simple majority of the shares present or represented at the Meeting with no restrictions.

In order to attend the Annual General Meeting, the owners of bearer shares will have to deposit their shares five clear days before the meeting with Banque Internationale à Luxembourg S.A., 69, route d'Esch, L-1470 Luxembourg

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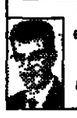

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• Portable computers – advances in screen design and battery technology.
• Essential equipment for the mobile executive.
• A rundown on the features and advantages of Sun Microsystem's Java.

Herald Tribune

This section coincides with the CeBIT fair in Hannover.
For a full synopsis and advertising rates, please contact the Supplements department in Paris.
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NOTICE OF EXTRAORDINARY GENERAL MEETING OF SHAREHOLDERS

Notice is hereby given that an Extraordinary General Meeting of THE M★A★R★S FUND Sicav will be held at the office of Me Franck BADEN, Notary residing in Luxembourg - 17, rue des Bains, L - 1212, on Monday 17 March, 1997 at 2:00 p.m. with the following Agenda:

1. Proposal of the Board of Directors to proceed with the liquidation of the Sicav;
2. Appointment of a Liquidator;
3. Sundry.

Shareholders are advised that required quorum for the above meeting will be 50% of the capital of the Company, represented by shareholders present or represented by proxy. Resolutions will be adopted by a majority of two thirds of the votes issues by shareholders present or represented.

Dated: February 5, 1997.

The Board of Directors.

For further details on how to place your listing contact: Christopher SETH in London
Tel.: (44) 171 836 48 02 – Fax: (44) 171 240 2254
Herald Tribune
THE WORLD'S DAILY NEWSPAPER

NASDAQ

Wednesday's 4 P.M.

The 1,000 most-traded National Market securities in terms of dollar value, updated twice a year.

The Associated Press.

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Wednesday's 4 P.M. Close

(Continued)

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INTERNATIONAL FUNDS February 12, 1997

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d Global Bonds $ 24.59
d Global Balanced $ 23.13
d Global Equities $ 25.79
d US Conservative Equities $ 24.99
d US Agressive Equities $ 25.70
d European Equities $ 16.31
d Pacific Equities $ 12.70
d Natural Resources $ 8.52
d Asia Growth Co $ 18.19
d Emerg Market Deb $ 17.33

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w AIG Asia Emerg Mkts Fd $ 96.5893
w AIG Balanced World Fd $ 139.5762
w AIG Emerg Mkts Bd Fd $ 126.3098
w AIG Eu MidFast & Af Em Mk $ 99.5678
W AIG Europ Fund Plc Ecu 128.5907
w AIG Euro Small Co Fd Plc $ 194.7670
w AIG Europe Fd Plc $ 156.4686
w AIG Japan Fund $ 58.9555
w AIG Japan Small Cos Fd $ 9.81
w AIG Latin America Fd Plc $ 161.4343
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m Albatros Performance USD $ 22841.18

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d Global $ 217.18
d Germany DM 232.13
d Switzerland SF 269.94
d Europe DM 325.90
d North America $ 181.51
d Far East $ 186.78
d Japan Y 10002.00

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w Alliance US Gr. Singles A $ 12.70
w Alliance US Gr. Singles B $ 12.54
w Alliance US Gr. Singles I $ 202.25
w Alliance US Gr. Singles N $ 200.85

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m Alpha Atlas Fd-HYC Cl/Dec31 $ 150.92
m Alpha Atlas Fd-Toos/Dec31 $ 118.49
m Alpha Emg Mkts Debt/Jan31 $ 204.98
m Alpha Europe Fd (Dec31) Ecu 275.50
m Alpha Futures Fd (Dec31) $ 248.51
m Alpha Global Fd (Dec31) $ 1036.53
m Alpha Hdg Fd Cl A/Dec31 $ 549.42
m Alpha Hdg Fd Cl B/Dec31 $ 144.80
m Alpha Hdg Fd Cl C/Dec31 $ 145.94
m Alpha Latin Amer (Dec31) $ 428.44
m Alpha Pacific Fd (Dec31) $ 337.38
m Alpha SAM $ 139.11
m Alpha Short Fd (Dec31) $ 47.33
m Alpha Tilaale Fd (Jan31) $ 222.49
m BCA/Alpha App Fd/Dec31 $ 107.92
m BCA/Alpha Internat/Dec31 $ 114.30
m Buch-Eco EurHdg Dec31 Ecu 198.64
m Consultatio Lat Am (Dec31) $ 121.08
m Consultatio Lat Am B/Dec31 $ 126.49
m Globalvest Value (Dec31) $ 154.91
w Hebel Japan Fund Y 6405
m India Performance Fd/Jan31 $ 85.11
m Latinvest Value (Dec31) $ 140.48
m Pacif RIM Opp BVI Dec31 $ 92.66
m Stand Pac Cap Offsh/Dec31 $ 128.81
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w Indosuez High Yld Bd Fd B $ 128.26
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d Global Bonds FRF A (Div) FF 120.9371
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d Europe ECU A (Div) Ecu 251.9375
d Europe ECU B (Cap) Ecu 297.0300
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d Far East USD B (Cap) $ 29.8532
d Japan JPY A (Div) Y 874.7000
d Japan JPY B (Cap) Y 874.7000
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d Citi Asia Capital Gtd Fd $ 10.75
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d CS Portf Bal DM DM 1274.91
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m FMG O (31Jan) $ 17.52
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Herald International Tribune
SPORTS

WORLD ROUNDUP

Victory for Becker

TENNIS Boris Becker lifted his 1997 record to one victory and one defeat Wednesday when he beat fellow German Marc Goellner in the first round of the $1 million Dubai Open. Becker, who lost in the first round of the Australian Open, won 6-2, 6-7 (5-7), 6-2. Carlos Moya, who beat Becker in Sydney, was knocked out 2-6, 6-0, 7-5 to Czech Jiri Novak.

• Top-seed Martina Hingis sprinted past Silvia Farina of Italy at the $480,000 WTA Paris Open, 6-3, 6-4, to avenge a defeat at the same stage of last year's tournament, when Farina won 6-3, 6-1.

• Sergi Bruguera of Spain beat Cedric Pioline 6-1, 6-7 (11-9) 6-1 on Wednesday in the ATP tournament in Marseilles. Pioline had played in France's Davis Cup loss in Australia, which ended Monday. He said he was suffering from jet lag. *(AFP)*

Boris Horvat/Agence France-Presse

Spain's Sergi Bruguera hitting a backhand to Cedric Pioline.

Belle Bet on Sports

BASEBALL Albert Belle has said in court that he recently lost as much as $40,000 gambling on pro football games and college basketball games, the Cleveland Plain Dealer reported Wednesday.

The newspaper said Belle, who moved to the Chicago White Sox from the Cleveland Indians last fall, made the statement under oath Tuesday while answering questions in a lawsuit over a confrontation he had with Halloween pranksters.

Sandra Abdul-Razzaaq, a teenage boy's guardian, says Belle injured the boy when chasing him in his truck. The suit seeks $300,000 damages. *(AP)*

Olympic Threat

SKIING Japanese environmental groups have said they will attack the 1998 Nagano Winter Olympics if the men's downhill starts inside a national park, the world skiing body said Wednesday.

Marc Hodler, president of the International Ski Federation, which has been lobbying for the start to be moved higher to make the course longer and allow it to include a spectacular jump, "There is still a possibility that we can find an agreement with those groups," he said.

"The Olympics are, as you know, a theater. A very-much appreciated theater for whatever opposition there is going, from protests to demonstrations to terrorist acts." *(Reuters)*

Quiet Van Gruenigen Silences Tomba's Supporters

Eric Feferberg/Agence France-Presse

Alberto Tomba struggling through a turn on his ill-fated run in the giant slalom at the World Championships.

By Christopher Clarey
International Herald Tribune

SESTRIERE, Italy — The bleacher section closest to the television cameras has been Italian territory since the World Alpine Ski Championships began. Last week, it was brimming with bonhomie and Deborah Compagnoni banners when she won two gold medals, and on Wednesday morning, it was brimming with optimism and Alberto Tomba posters for the first run of the men's giant slalom.

By the afternoon, the posters had come down, and the Italian optimists had been replaced by Swiss and Austrian realists brandishing cowbells.

Tomba, his sport's main attraction, already had missed most of the World Cup ski season for a variety of reasons, and on Wednesday, he missed the second run of the giant slalom after missing a gate one minute into the first run and sliding dispiritedly and anticlimactically to a halt.

"I am angry, but I did my best," Tomba said. "I thought I had trained pretty well, but this course was more difficult than I imagined."

Even if he had not missed the gate, Tomba was in no position to threaten the eventual gold medalist Michael Von Gruenigen of Switzerland. Only 20 seconds into his run, Tomba lost his balance and appeared close to falling. Eight seconds later, he did go down heading into another turn but postponed disaster by pushing off the snow with his hand.

The move was reminiscent of last year's World Championships when Tomba bounced off the ground on his way to victory in the giant slalom, but this has been a less fortunate and considerably less focused season for him. He lost precious time. When his next split time of 44.07 seconds flashed on the scoreboard, he already was a humiliating 3.53 seconds behind Von Gruenigen.

"You can see it is not his snow and not his day," Von Gruenigen said later as he watched a video of Tomba's run.

Tomba was not alone. The tight course set for the first run by Norwegian coach Max Valquist was a gauntlet. Of the 15 seeded skiers, six did not complete the run. Overall, 55 of the 108 skiers entered failed to finish: an extremely high attrition rate. The unluckiest was Slovenia's Rene Mlekuz who had to swerve to avoid a worker who had wandered onto the course with a shovel. Mlekuz started again, failed to finish, and he was one of many skiers who ended up complaining.

"I expected some casualties but not that many," Valquist admitted. "It was a difficult course, a difficult hill and difficult snow. There were three different types of snow to worry about."

Valquist said he wanted the course to feature tighter turns and more gates than usual because, in his opinions, giant slaloms have been getting steadily faster in recent years.

"If we aren't careful, there will be no difference between Super G and giant slalom," he said. "I set 61 gates today, which is right in the middle of what the rules permit for a gradient like this."

The second-run course, set by Fritz Zuger of Switzerland, posed considerably fewer problems. Von Gruenigen, who had built up a lead of more than a second in the morning, maintained the advantage with his customary style and poise. His aggregate time of two minutes, 48.23 seconds was 1.12 seconds better than silver medalist Lasse Kjus of Norway and 1.45 seconds better than bronze medalist Andreas Schifferer of Austria.

It was the third silver medal of these championships for Kjus, who flaunted his versatility by reaching the podium in the downhill, Super G and giant slalom.

"I would rather have three silvers than one gold," Kjus said. "I really value being good in all disciplines."

Von Gruenigen is a different sort: a technical specialist who has won 10 giant slaloms since 1993 but no other events. He is a skier's skier, who elicits superlatives from his peers for his clean turns and grace.

"He skis like in the textbooks," said Norway's Kjetil-Andre Aamodt.

The last time Von Gruenigen skied off a course in the giant slalom was at the Winter Olympics in 1994, when he missed a gate near the finish of the second run and missed a medal. Since then, he, not Tomba, has dominated this event, although the Italian beat him at last year's world championships.

"Last year, I didn't handle the pressure," Von Gruenigen said. "But I learned a lot from that, and this year, I think I put the pressure on everyone else."

Von Gruenigen and Tomba have little in common. The Italian is a child of privilege who grew up in a cosmopolitan city, Bologna, and is a natural extrovert. Von Gruenigen was orphaned at 9 and raised by his older sisters. He grew up in the small German speaking village of Schoenried and is so self-contained that the Swiss joke that one of his hobbies is silence.

He was hardly silent after the race, making it clear that he did not appreciate Tomba's casual approach to World Cup competition this season. Tomba flirted with retirement in the off-season, then broke his right wrist in October. But since returning to the circuit, he has skipped several races and fell in his only giant slalom prior to Sestriere.

"To me, it's skiing that should be at the forefront," Von Gruenigen said. "If someone wants to party and only be interested in the World Championships that's his business. I do all the events. Alberto has deliberately decided to concentrate only on this one, and in a certain sense, that is not fair to the other guys who race all the time."

Avalanche Buries Los Angeles Kings

Fiset's 48 Saves Aren't Enough to Ward Off Colorado Victory

The Associated Press

As shot after shot came flying at him in the first period, Los Angeles goalie Stephane Fiset must have felt he was the only Kings player on the ice.

Fiset faced a record 29 Colorado shots in the first period — stopping 28 — and made 48 saves in all. But it was not enough against his former teammates as the Avalanche defeated an undermanned Los Angeles, 3-1.

"I have had games before where I faced 50 or more shots, before I turned pro, but not 29 in one period," Fiset said.

Referring to the Avalanche goalie, Patrick Roy, he added, "What made it tough was Patrick was so good on the other end."

Despite being dominated from the outset, the Kings managed to escape the first period tied 1-1, but Roy made 31 saves limiting the Kings to a shorthanded goal in the first period. Adam Deadmarsh scored his 23d goal and added an assist for the Avalanche, whose Mike Ricci and Valeri Kamensky also scored.

NHL ROUNDUP

Flames 5, Bruins 1 At Calgary, Trevor Kidd made 31 saves to lead the Flames to their season-high third straight win.

Jonas Hoglund, Dave Gagner and Ronnie Stern each had a goal and an assist for the Flames.

Kidd, making his ninth straight start, was especially sharp in the second period, making 13 saves. He stopped Ray Bourque's slap shot from the top of the face-off circle with a dazzling glove save. But Barry Richter spoiled Kidd's shutout bid with 1:20 left in the third period.

Capitals 5, Canucks 2 Peter Bondra had two goals and an assist for Washington, which won for only the second time in nine games.

Alexander Mogilny had both goals for Vancouver, which has lost seven of 10 games.

Islanders 5, Senators 5 Marty McInnis' goal with 1:11 left in the third period gave New York a tie with visiting Ottawa. McInnis took a pass from Derek King and beat goalie Damian Rhodes from 15 feet for his 16th goal of the season. Alexei Yashin scored twice for Ottawa, which lost only once in its last five games.

Dark Night for Scotland Against Estonia

Compiled by Our Staff From Dispatches

MONTE CARLO — Estonia finally turned up for a World Cup qualifier that originally kicked off in Tallinn last October and unexpectedly held Scotland, the leaders of European group four, to a 0-0 tie.

The Scots attacked for much of the game in Monaco on Tuesday but scorned several chances in front of a crowd of about 4,000, about half of them Scottish fans.

When the Scots were on target they found Estonian goalkeeper Mart Poom in inspired form.

Scotland manager Craig Brown was so embarrassed by his side's display that he expressed "extreme disappointment and apologies" to the traveling fans.

Celtic defender Tom Boyd came closest to breaking the deadlock when he hit the crossbar in the first half.

The match was played in Monaco after a dispute over the floodlighting for the original match in Tallinn last October. The Estonian team failed to turn up at a revised kick-off time. Scotland kicked off unopposed and were awarded a 3-0 victory, but Estonia appealed.

SOCCER ROUNDUP

ENGLAND Glenn Hoddle's plan to surprise Italy by naming Matthew Le Tissier to his team an hour before Wednesday's World Cup qualifier at Wembley was ruined by the player's brother Karl.

Hoddle, the England manager, had told the press he would pick Paul Gascoigne in midfield. On Tuesday, Hoddle told Le Tissier that he would play. Le Tissier phoned his family on Guernsey in the Channel Islands and his brother then told a local radio station.

SPAIN Carlos Alberto Silva agreed Wednesday to take over from John Toshack as coach at Deportivo La Coruna until the end of the season.

Silva has managed some of Brazil's most prestigious sides and has worked as a scout for Deportivo, which has a number of Brazilians in its squad, including defender Mauro Silva, midfielders Rivaldo, Donato and Flavio Conceicao and striker Renaldo.

Luis Aragones remains the most likely candidate to take over in the summer. Spanish league rules forbid him to take over now because he had already managed Valencia this season. *(Reuters, AP)*

An Olympic Rivalry for 2008

Washington Post Service

WASHINGTON — The friendly rivalry between Washington and Baltimore is about to become more intense as both cities prepare to make runs at holding the 2008 Olympic Games.

Representatives from each city were to attend a seminar in Philadelphia on Wednesday sponsored by the U.S. Olympic Committee for organizations considering a bid on the Olympics or an Olympic-related event.

Seven people from the Washington Exploratory Committee and three from the state of Maryland were to be among the 83 people from 38 sports and development organizations attending the session.

The competition will be intense and Washington's financial and crime problems will not help. Nevertheless, who would have believed Atlanta would have won the right to sponsor the 1996 Olympics?

The Washington and Baltimore groups said that $600 million in current stadium construction as well as billions in airport improvements, rail links and highways makes the Washington-Baltimore area an attractive host for an Olympics.

The International Olympic Committee will not name a host city for the 2008 Games until late 2001 or early 2002, according to the U.S. Olympic Committee. Eight cities, including New York, Seattle and Boston, are pursuing the committee's approval as the American entry.

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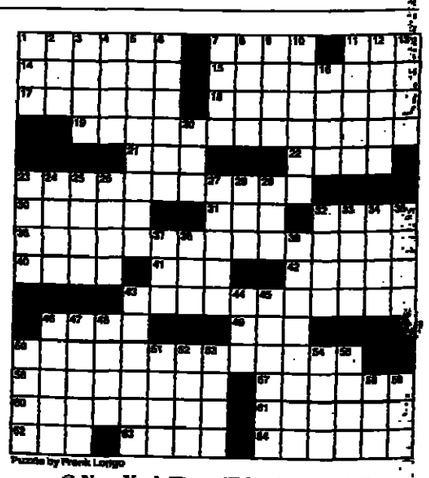
1 Raises
7 Coal-mining waste
11 Interruption
14 Cores
15 Grand Prix, for instance
17 One of the lanthanides
18 Accumulates
19 What's NEW?
21 Hugs, symbolically
22 Spanish dramatist —— de Vega
23 What's KNEW?
30 Fragrant resin
31 Member of the flock
32 Spill the beans
36 What's GNU?
40 Opposite of bless
41 River to the Mississippi
42 Provincial pronoun
43 What's NU?
46 Athens's home
49 Suffix with libel
50 What's NOUS?
55 "A Raisin in the Sun" writer Hansberry
57 Quiver contents
60 Support
61 Where to get fast service?
62 Derek and Diddley
63 Honky——
64 Ancient Qumran inhabitant

DOWN
1 Abbr. at the bottom of a letter
2 Curse the day
3 Brown shade
4 Illegal block
5 German
6 Violent Saharan wind
7 Pane's place
8 Pear-shaped instrument
9 Fermi's fascination
10 How horror scenes are often depicted
11 Refuel
12 Intense
13 "—— Le Moko" (1937 Duvivier drama)
16 Slots site
20 Water tester
23 Intellect
24 —— Romeo
25 Skin: Suffix
26 "—— love!"
27 Gettysburg victor
28 Have the rights to
29 No longer active: Abbr.
33 Stain
33 Ill-mannered one
34 Basilica section
35 Cold one
37 Opposite of dep.
38 Obit word
39 Trash bins, graffiti, etc.
43 Track speedster
44 Chinese diplomat Wellington ——
45 Crescent-shaped
46 Down East college town
47 Zebra groups
48 Pertaining to
50 Bungle
51 Seat of Hawaii County
52 Nabokov novel
53 Stench
54 Tomb items
55 Not a lick
56 Carry the day
58 Wind dir.



Puzzle by Frank Longo

© *New York Times/Edited by Will Shortz*

Solution to Puzzle of Feb. 12

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هكذا من الأصل

SPORTS

Jordan Shines As Bulls Win

Compiled by Our Staff From Dispatches

Dennis Rodman rejoined the Chicago Bulls after an 11-game suspension for kicking a courtside photographer, but was overshadowed on the court by Michael Jordan as the Bulls beat Charlotte 103-100.

Jordan sank the winning three-point shot at the buzzer and finished with 43 points.

The Hornets were led by Glen Rice, the All-Star Game Most Valuable Player, who scored 32 points. Rodman finished with three points, 14 rebounds and several ovations.

Rodman played showman when he tripped over a TV cameraman, Tommy Skinner. That's the scenario that got him into trouble last month in Minnesota. Rodman patted the cameraman on his chest and apologized into the camera.

Before the game, the Chicago fans greeted Rodman with a cheer almost as loud as the one reserved for Jordan. Rodman had said he expected the fans to "boo the hell out of me."

"We're just happy to have him back," said guard Steve Kerr. "He gives us energy and intensity, not to mention defense and rebounding."

In winning their 15th consecutive home game, the Bulls ended Charlotte's four-game winning streak.

Muggsy Bogues hit a three-pointer with 9.5 seconds left to tie the score 100-100. Then Jordan shot over Dell Curry as the clock ticked to zero.

A syndicated television network brought Rodman's father, Philander to the game from the Philippines. Rodman was quoted as saying he had no interest in seeing a man he had not seen in 30 years. Bulls officials did their best to keep the two apart.

"My reaction to my dad is he comes to see one of his kids, and only one of his kids has money," said Rodman. Philander says he has fathered 27 children.

Knicks 97, Bullets 92 Jeff Van Gundy, the New York coach, pulled his entire starting five after Washington, playing at home under a new coach, scored 20 of the game's first 28 points.

The Knicks rallied in the third quarter to send Bullets coach Bernie Bickerstaff to a loss in his debut.

Patrick Ewing, returning from an injury that kept him out of the All-Star Game, scored 18 points for the Knicks, as did John Starks.

Cavaliers 105, 76ers 94 Allen Iverson returned to Cleveland, site of the All-Star Game, and failed to do what he predicted — get even with Cavs fans who booed him when he won the MVP award at the All-Star rookie game.

Iverson scored 21 points, but shot just 5-for-22.

"I looked real bad out there on my shot," said Iverson, who really heard it from the hecklers when he shot an air-ball on a 3-pointer with 2:34 left. "I just played a bad game. I have a lot more games to play in this arena, so they'll have more chances to boo me."

Rockets 106, Grizzlies 97 Charles Barkley returned from an injury and finished with 13 points, eight assists and six rebounds against Vancouver in Houston.

SuperSonics 108, Nuggets 81 At Seattle, Shawn Kemp was benched for the start of each half because he missed Monday's practice, but the Sonics hardly needed him as they beat Denver.

Gary Payton scored 28 points, and Nate McMillan, who missed almost the entire season because of a torn groin muscle, played 16 minutes and had five assists, three steals and a blocked shot.

Jazz 120, Kings 98 Karl Malone answered Sacramento's trash talk with 30 points, including 14 in the third quarter for visiting Utah.

"Sometimes when you talk, you forget to play," Malone said.

Heat 104, Pistons 91 At Miami, Tim Hardaway scored 31 points, and Alonzo Mourning added 29 to help Miami, ranked 24th in the NBA in scoring, top 100 points for the fifth time in its seven-game winning streak.

Spurs 111, Mavericks 97 At Dallas, Vernon Maxwell scored 34 points as the Spurs won for the 12th time this season — and the third against the Mavericks.

Trail Blazers 111, Suns 106 At Portland, Kenny Anderson scored 19 of his 33 points in the fourth quarter, including five free throws in the last 30 seconds.

Clippers 116, Celtics 112 Malik Sealy scored 21 points, and Loy Vaught scored 16 of his 18 points in the second half, including a baseline jumper with 1:22 remaining that put the Clippers ahead for good.

Bucks 101, Raptors 96 At Milwaukee, Vin Baker scored eight of Milwaukee's final 10 points and blocked several shots in the final 3:49 as the Bucks ended a five-game losing streak. *(NYT, AP)*

Sue Ogrocki/Reuters

Anthony Mason of the Charlotte Hornets struggling with the Bulls' Dennis Rodman.

China's Basketball Marvel

He Has Tools, but How About the Drive?

By Tim Noonan
International Herald Tribune

SHANGHAI — At 7 foot, 1 inch, China's slender basketball prodigy, Wang Zhizhi, has all the tools. He runs and shoots like a small guard, while rebounding and shot-blocking like the behemoth he is. But at only 18, Wang is also proving that potential may be the most damning of prophecies.

He was first sighted at 16 on the Chinese national team that eventually won the Asian Basketball Confederation championship. Since then, he has helped the Chinese national team qualify for the Olympics.

In his first year of professional basketball, his club, which at the time was called August 1 and based in Shanghai, went a perfect 25 and 0 and won the Chinese National Basketball League title.

Wang was also the most valuable player as China captured the Asian junior championship shortly after the Olympics.

This year, his team, which has changed its name to the Bayi Rockets, moved to Xian in central China at the behest of Mark McCormack's International Management Group, which has helped run the Chinese league for three years.

"There are not more than one or two 18 years olds in the world who can do the things that he does," said Larry Farmer. As the coach of Kuwait's junior team, which also plays in Asian championships, Farmer has seen a fair bit of Wang. As a former coach at UCLA, Farmer thinks that Wang would not be out of place in top-level U.S. college basketball.

"To see that type of talent and coordination in a big man is extremely rare," Farmer said. "It's the type of talent that makes college recruiters and NBA scouts drool."

Georgetown, Louisiana State University and Marquette have already expressed interest in the precocious Wang.

Yet for all the talk of potential greatness, the youngster who has a good chance of being the first Asian native to play in the NBA seems slightly less than enthusiastic during his second professional season.

"You can see it in his play, particularly on defense," said Tom McCarthy, chief executive of the promotions arm of the Asian Basketball Confederation and an analyst with Asia's Star Sports, a satellite broadcasting company.

McCarthy once coached a teenage Patrick Ewing, now the star center for the New York Knicks, and said the only similarity between Wang and Ewing at similar stages in their careers was their height.

"Wang Zhizhi is much better offensively than Patrick was at his age and his passing and shooting are on par with the best players in American college basketball," McCarthy said. "However, Patrick had a ferocious work ethic that you cannot teach. Wang must be exhausted because he has played nonstop all over the world for the last 18 months. Still, if he wants to be great he has to do more than go through the motions."

Wang spent last summer banging up against Shaquille O'Neal, Hakeem Olajuwon and David Robinson at the Atlanta Olympics. China was soundly beaten by the U.S. Dream Team and Wang scored only 6 points to go with 3 rebounds in 25 minutes of play.

"It was a great learning experience and I think because I am much younger than those players, that I was at a disadvantage," Wang said. "But I was still disappointed by my performance."

Compounding the problem for Wang is a lack of competition.

"Finding someone to challenge him in China is a major problem right now," said Wang Fei, the Bayi coach. "There is no question about Wang Zhizhi's talent. However, he needs to add some bulk to his body and work on his fundamentals to get up to the next level, which is a sizable step."

Meanwhile, Wang's potential is not restricted to the court. China's rapidly expanding consumer class voraciously buys all sorts of NBA merchandise. The rewards for a Chinese NBA player could be huge.

Already, Wang has unwittingly become a pawn in the fierce competition between China's rival leagues. His Rockets are the promotional anchor of the more established and respected Chinese National Basketball League, which has been around for more than 30 years. But the China New Basketball Alliance, which was formed in 1996, aspires to become the premier league. The competition between them may make the Rockets more reluctant to allow Wang to leave.

Wang's behavior is very different from that of many young NBA players. He has no tattoos, no earrings and very little attitude. He is the son of two Beijing teachers and has a congenial and accommodating nature. When asked if he would like to play in the NBA, he replies simply and unhesitatingly, "Of course."

SCOREBOARD

BASKETBALL

NBA STANDINGS

EASTERN CONFERENCE

ATLANTIC DIVISION

	W	L	Pct	GB
Miami	37	12	.755	—
New York	35	14	.714	2
Orlando	24	21	.533	11
Washington	22	26	.458	14½
New Jersey	14	33	.298	22
Philadelphia	12	35	.255	24
Boston	11	36	.234	25

CENTRAL DIVISION

Chicago	43	6	.878	—
Detroit	34	13	.723	8
Atlanta	31	15	.674	10½
Charlotte	29	20	.592	14
Cleveland	26	22	.542	16½
Indiana	23	23	.500	18½
Milwaukee	22	25	.458	20½
Toronto	17	30	.362	25

WESTERN CONFERENCE

MIDWEST DIVISION

	W	L	Pct	GB
Utah	34	14	.708	—
Houston	33	16	.673	1½
Minnesota	23	25	.479	11
Dallas	16	29	.356	16½
Denver	16	33	.327	18½
San Antonio	12	34	.261	21
Vancouver	9	43	.173	27

PACIFIC DIVISION

L.A. Lakers	35	13	.729	—
Seattle	33	15	.688	2
Portland	26	23	.531	9½
L.A. Clippers	20	25	.444	13½
Sacramento	21	29	.420	15
Golden State	17	29	.370	17
Phoenix	17	32	.347	18½

TUESDAY'S RESULTS

New York	22	30	29	25— 97
Washington	22	22	11	27— 92

N.Y.: Ewing 6-12 6-9 18, Houston 6-14 4-6 17; W: Strickland 9-19 3-4 21, Howard 5-13 9-14 19. Rebounds—New York 44 (Ewing 11), Washington 55 (Webber 9). Assists—New York 22 (Childs 6), Washington 18 (Strickland 8).

New Jersey	23	25	23	33—104
Orlando	21	23	25	29— 98

N.J.: Gill 12-24 4-4 28, Kittles 10-19 3-6 25; O: Selkaly 8-12 7-11 23, Anderson 7-14 0-0 18. Rebounds— New Jersey 44 (Williams 7), Orlando 52 (Grant 14). Assists—New Jersey 30 (Gill 8), Orlando 22 (Hardaway, Wilkins 6).

Philadelphia	22	16	27	29— 94
Cleveland	25	23	26	31—105

P: Iverson 5-22 10-10 21, Stackhouse 5-13 6-8 16, Wallace 7-16 0-0 16; C: Mills 7-15 7-8 22, Hill 8-9 6-7 22. Rebounds—Philadelphia 46 (Coleman 10), Cleveland 57 (Mills, Hill 10). Assists—Philadelphia 20 (Iverson 11), Cleveland 28 (Sura, Ferry 6).

Detroit	17	25	24	25— 91
Miami	23	26	38	25—104

D: Hill 7-18 3-4 17, Mills 6-10 0-0 15; M: Hardaway 11-17 6-6 31, Mourning 10-14 9-19 29. Rebounds—Detroit 47 (Hill, Thorpe 7), Miami 42 (Mourning 8). Assists—Detroit 19 (Hill, Dumars 5), Miami 21 (Hardaway 10).

Charlotte	23	30	23	24—100
Chicago	28	27	29	19—103

Cha: Rice 9-17 13-13 32, Curry 9-16 0-0 20. Chi: Jordan 16-24 10-14 43, Longley 5-8 2-2 12. Rebounds—Charlotte 35 (Mason, Divac 7), Chicago 51 (Rodman 14). Assists—Charlotte 22 (Mason 7), Chicago 26 (Pippen 7).

Toronto	22	24	33	17— 96
Milwaukee	31	26	26	18—101

T: Williams 9-18 4-5 27, Christie 5-12 5-6 17; M: Baker 9-16 5-7 23, Allen 6-10 6-6 19, Rebounds—Toronto 50 (Jones 14), Milwaukee 48 (Gillam 10). Assists—Toronto 24 (Stoudamire 12), Milwaukee 23 (Robinson, Douglas, Newman 4).

San Antonio	24	29	27	31—111
Dallas	23	20	20	34— 97

S.A.: Maxwell 13-22 1-2 34, Del Negro 6-13 4-5 18; D: Gatling 10-18 4-5 24, Finley 6-11 4-4 18. Rebounds—San Antonio 46 (Perdue 16), Dallas 53 (Gatling 13). Assists—San Antonio 28 (Johnson 13), Dallas 22 (Cassell 6).

Vancouver	31	27	22	17— 97
Houston	32	27	29	18—106

V: Abdur-Rahim 10-16 4-6 24, Reeves 8-12 4-6 20, Anthony 7-14 4-5 20; H: Willis 8-13 4-6 20, Price 8-11 1-1 20. Rebounds—Vancouver 45 (Reeves 10), Houston 38 (Olajuwon, Willis 7). Assists—Vancouver 21 (Anthony, Mayberry 6), Houston 29 (Barkley 8).

Phoenix	26	26	27	29—108
Portland	21	34	29	36—111

Phx: Johnson 11-16 8-10 32, Person 8-17 0-0 20; Por: Anderson 10-19 10-12 33, Wallace 10-14 8-10 30. Rebounds—Phoenix 44 (Ceballos 15), Portland 51 (Dudley 9). Assists—Phoenix 19 (Johnson 11), Portland 24 (Anderson 6).

Denver	23	18	18	22— 81
Seattle	23	34	27	24—108

D: D.Ellis 6-11 5-5 19, L.Ellis 4-9 2-2 10, McDyess 5-9 0-0 10, Stith 4-10 2-2 10, Pierce 3-9 4-4 10; S: Payton 13-25 1-2 28, Kemp 4-9 4-4 12. Rebounds— Denver 39 (Johnson 9), Seattle 50 (Schrempf 8). Assists—Denver 19 (Jackson 4), Seattle 30 (Payton 9).

Boston	36	18	38	20—112
L.A. Clippers	33	29	27	27—116

B: Fox 9-17 5-8 27, Walker 8-20 3-4 19, Day 5-20 7-9 19; L.A.: Sealy 9-14 1-1 21, Vaught 8-13 2-2 18, Rogers 9-13 0-2 18. Rebounds—Boston 60 (Walker 16), Los Angeles 51 (Wright 10). Assists—Boston 15 (Fox 4), Los Angeles 27 (Richardson 10).

Utah	38	26	38	26—128
Sacramento	39	16	24	23— 98

U: Malone 12-16 6-8 30, Stockton 5-8 5-6 16; S: Richmond 12-22 9-12 34, Polynice 5-8 4-4 14. Rebounds—Utah 48 (Malone 8), Sacramento 45 (Polynice 11). Assists—Utah 31 (Stockton 16), Sacramento 15 (Edney 5).

HOCKEY

NHL STANDINGS

EASTERN CONFERENCE

ATLANTIC DIVISION

	W	L	T	Pts	GF	GA
Philadelphia	30	16	8	68	173	136
Florida	27	15	13	67	156	126
N.Y. Rangers	28	22	7	63	197	158
New Jersey	26	17	9	61	139	128
Washington	22	27	6	50	144	152
Tampa Bay	19	27	6	44	140	163
N.Y. Islanders	17	28	10	44	149	166

NORTHEAST DIVISION

	W	L	T	Pts	GF	GA
Buffalo	29	19	8	66	157	139
Pittsburgh	30	19	5	65	205	168
Montreal	21	27	10	52	183	208
Hartford	21	25	7	49	155	174
Ottawa	18	24	12	48	151	161
Boston	20	28	7	47	157	192

WESTERN CONFERENCE

CENTRAL DIVISION

	W	L	T	Pts	GF	GA
Dallas	32	20	4	68	172	138
Detroit	25	18	10	60	163	128
St. Louis	26	25	6	58	172	177
Phoenix	24	27	4	52	151	172
Chicago	21	27	8	50	143	148
Toronto	21	33	1	43	158	192

PACIFIC DIVISION

	W	L	T	Pts	GF	GA
Colorado	33	14	8	74	187	129
Edmonton	27	23	5	59	174	156
Vancouver	25	26	2	52	176	189
Calgary	22	26	6	50	149	163
Anaheim	21	28	6	48	154	170
San Jose	20	28	6	46	142	171
Los Angeles	19	31	6	44	148	191

TUESDAY'S RESULTS

Ottawa	1	4	0	6—5
N.Y. Islanders	2	1	2	5—5

First Period: N.Y.—Green 12 (King, McInnis), 2, N.Y.—Smolinski 18 (Andersson) 3, O-Yashin 26 (Redden) Second Period: N.Y.—Berard 6 (Andersson, Patty) 5, O-Alfredsson 19 (Zhitnik) 6, O-Yashin 27 (Dolgie, Musil) 7, O-York 4 (Alfredsson, Van Allen) 8, O-Dolgie 21 (Duchesne, Bonk) Third Period: N.Y.—Green 13 (Kruse) 10, N.Y.—McInnis 16 (King) Overtime: None. Shots on goal: O- 11-10-3—25. New York 9-7-6-0—22. Goalies: O-Rhodes. N.Y.—Fichaud, Salo.

Los Angeles	1	0	0	1
Colorado	1	2	0	3

First Period: C-Deadmarsh 23 (Jones, Ozolinsh) 2, L.A.-Laperriere 6 (O'Donnell) (sh). Second Period: C-Ricci 6 (Deadmarsh, Young) (pp), 4, C-Kamensky 18 (Keane, Lefebvre) Third Period: None. Shots on goal: L.A.- 8-10-14—32. C- 29-13-9—51. Goalies: L.A.-Fiset. C-Roy.

Boston	0	0	1	1
Calgary	2	2	1	5

First Period: C-Tillon 19 (Reichel, Stern), 2, C-Gagner 18 (Fleury, Racine) Second Period: C-Hoglund 13 (Fleury, Gagner) 4, C-Chiasson 4 (Hoglund, Iginla) (pp). Third Period: C-Stern 2 (Hlushko), 4, B-, Richter 4 (Stumpel, Oates) (pp). Shots on goal: B-9-13-10—32. C- 9-9-7—25. Goalies: B-Tallas, Schafer. C-Kidd.

Washington	3	0	2	5
Vancouver	1	1	0	2

First Period: V-Mogilny 22 (Gelinas, Lumme) (pp), 2, W-Charron 1 (Cote) 3, W-Bondra 33 (Klee) 4, W-Hunter 9 (Bondra, Pivonka) (pp). Second Period: V-Mogilny 23 (Naslund, Ridley) Third Period: W-Krygier 5 (Allison, Svejkovsky) 7, W-Bondra 34 (Housley, Johannsson) Shots on goal: W- 11-9-8—29. V- 9-3-15—27. Goalies: W-Kolzig. V-MacLean.

SOCCER

WORLD CUP QUALIFYING

EUROPE

GROUP FOUR

Estonia 0, Scotland 0

STANDINGS: Scotland 8 points; Austria 7; Sweden 6; Estonia 4, Belarus 4; Latvia 1.

INTERNATIONAL FRIENDLY

N. Ireland 3, Belgium 0
Wales 0, Ireland 0

SKIING

WORLD CHAMPIONSHIPS

MEN'S GIANT SLALOM

WEDNESDAY, IN SESTRIERE, ITALY

1, Michael Von Gruenigen, Switzerland, two minutes, 48.23 seconds; 2, Lasse Kjus, Norway, 2:49.35; 3, Andreas Schifferer, Austria, 2:49.68; 4, Steve Locher, Switzerland, 2:49.71; 5, Paul Accola, Switzerland, 2:50.14; 6, Kjetil-Andre Aamodt, Norway, 2:50.17; 7, Hans Knauss, Austria, 2:50.22; 8, Thomas Grandi, Canada, 2:50.82; 9, Rainer Salzgeber, Austria, 2:50.98; 10, Fredrik Nyberg, Sweden, 2:51.25.

TRANSITIONS

BASEBALL

MAJOR LEAGUE BASEBALL

AMERICAN LEAGUE

BALTIMORE—Agreed to terms with RHP Jimmy Haynes, OF Danny Clyburn, OF Eugene Kingsale, RHP Tom Davey, RHP Mike Johnson, and C B.J. Waszgis on 1-year contracts.

BOSTON—Agreed to terms with SS John Valentin on 1-year contract.

NATIONAL LEAGUE

NEW YORK—Named Ray Scott director of human resources.

PITTSBURGH—Named Willie Stargell special assistant to general manager.

SAN FRANCISCO—Named Jim Fregosi special assignment scout-instructor.

BASKETBALL

NATIONAL BASKETBALL ASSOCIATION

CHICAGO—Activated F Dennis Rodman from suspended list. Put G Randy Brown on injured list.

DETROIT—Activated G Litterial Green from injured list. Put G Reggie Jordan on injured list.

HOUSTON—Activated F Charles Barkley from injured list. Put C Charles Jones on injured list.

NEW JERSEY—Put G Robert Pack on injured list. Activated F Reggie Williams, and G Kevin Edwards from injured list. Signed F Jack Haley to second 10-day contract.

SACRAMENTO—Signed G-F Jeff Grayer for remainder of season. Activated F Billy Owens from injured list. Put C Kevin Salvadori on injured list.

SEATTLE—Activated G Nate McMillan from injured list. Placed G Greg Graham on injured list.

FOOTBALL

NATIONAL FOOTBALL LEAGUE

JACKSONVILLE—Named Fred Hoaglin tight ends coach.

KANSAS CITY—Named Bob Karmelowicz defensive line coach.

MINNESOTA—Named Ivy Williams tight ends coach.

NEW ENGLAND—Named Carl Smith to coaching staff.

SAN FRANCISCO—Signed QB Dave Barr.

SEATTLE—Signed WR Mike Pritchard to 3-year contract.

HOCKEY

NATIONAL HOCKEY LEAGUE

ANAHEIM—Recalled D Ruslan Salei and RW Jeremy Stevenson from Baltimore, AHL. Sent RW Craig Reichert to Baltimore.

DETROIT—Signed F Kirk Maltby and D Aaron Ward to 2-year contracts.

FLORIDA—Recalled C Craig Ferguson from Carolina, AHL.

HARTFORD—Sent D Jason McBain to Springfield, AHL.

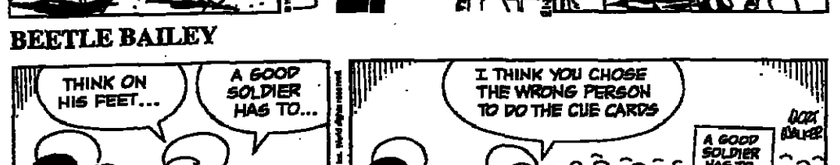
NEW JERSEY—Acquired C Peter Zezel from St. Louis for D Chris McAlpine and 1999 draft choice.

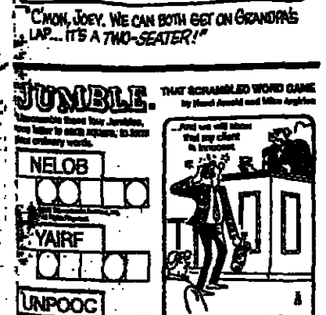
NEW YORK—Recalled D Jason Holland from Kentucky, AHL.

OTTAWA—Loaned D Radim Bicanek to Worcester, AHL.

PHOENIX—Recalled C Juha Ylonen from Springfield, AHL.

TORONTO—Sent C Shawn Carter, LW Nick Kyrzeos and D David Cooper to St. Johns, AHL. Reassigned C Kelly Fairchild to Orlando, IHL from St. John's. Loaned LW Dennis Maxwell to Carolina, AHL.





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ART BUCHWALD

The Candidate at 14

WASHINGTON — I asked a 14-year-old acquaintance of mine named Adam Marks, "What do you want to be when you grow up?"

Buchwald

He replied without hesitation, "I want to be president of the United States."

"That's admirable," I said. "But you're going to need a good education to get into the White House."

"I don't need an education. I need $2 billion."

"That's ridiculous," I told him. "In any case, where would you get $2 billion?"

"I read that there are thousands of people in America who can be persuaded to give money to help a candidate become president of the United States."

□

"Bite your tongue, Adam. You can't buy a presidential election with cash."

"I have to have a slush fund to pay for my advertising commercials. That's why I need all the soft money I can get."

"Aren't you afraid that if you accept money from donors you'll owe them favors?"

"I'm more afraid of losing the election. Anyone who gives me $250,000 will be allowed to sleep over at the White House. For an extra $50,000, I'll give them a cup of Maxwell House coffee in the morning."

"But as president, don't you have any other plans for the country?"

"I don't wish to discuss them until I find out over lunch what the bankers want."

□

"Adam, there's something weird about your ambition. I don't know whether you want to be president of the United States so you can ask favors of the heavy givers, or whether you want to be president so they can ask them of you. Set the money issue aside for a moment. What is your true ambition with regard to your role as leader of the Free World?"

"Well, I'm not going to stop Asians from giving to my campaign, and I'm going to make sure that someone on my staff always taps the Buddhists. The best way to hold a free election is for everybody to contribute to it. I'm even thinking of letting people who donate $100,000 hit golf balls with me on the White House lawn."

"Adam, I can tell you right now that I don't want you to be president. You only seem to be interested in raising cash."

"What choice will I have when my opponent starts running commercials accusing me of having scrambled eggs with lobbyists?"

The Best of Lincoln

The Associated Press

SPRINGFIELD, Illinois — Before he became president, Abraham Lincoln was a prolific lawyer who produced hundreds of legal documents, some scrawled in quill or pencil. These will soon be available on CD-ROM in a 20-disk box set for $2,000. About 250,000 pages of documents from 6,000 cases have been collected, ranging from court dockets to briefs Lincoln wrote himself. The project was begun in 1985 to document the quarter-century that Lincoln practiced law in Illinois.

The Breathless Life and Times of Cyndi Lauper

By Mike Zwerin
International Herald Tribune

PARIS —Here to promote her new album, "Sisters of Avalon" (Epic), Cynthia Ann Stephanie Lauper, 43, tells her story breathlessly. Her New York outer-borough accent is eccentrically consonant.

As far back as she can remember she wanted to be an actress. She'd walk out of movies imagining herself the star, talking and moving like her. She was considered kooky, she was always in trouble. The nuns in the Catholic school she attended (she grew up in Queens) said, "She's such an actress."

Meaning she expected special treatment. Once, as punishment for talking with the boys, she had to eat lunch with them in their cafeteria. The sisters thought that none of the boys would talk to her, she'd feel ostracized and that would be that.

While she felt like: "Oh boy, I'll get to see how the other half lives."

Every morning, the students were awakened at 5. They made their beds, took a shower, got all the "church things" out of the way and then went to breakfast. Cyndi was always sick.

She wasn't faking it, she was just not a morning person. Actually, she didn't really mind getting sick every morning because the punishment was sitting with the nuns for an hour, and she liked the sisters. She was always singing and they kept saying "she has a professional voice." One way or another, however, she broke so many rules that she thought the sisters were keeping a list of sins. But she could take it. After all, it was her first name.

She entertained the other kids during recess with impersonations, and excerpts from Broadway plays. "She should be trained," the sisters said.

Her mother listened to 6-year-old Cyndi change her voice back and forth to play all the parts — young and old, male and female — and memorize all the lyrics and melodies along with the recording of "The King and I." It was obvious her little girl had talent. Some kids play with dolls, Cyndi played with records. She played "The King and I" so often her grandmother finally came downstairs, took the record off the turntable and smashed it.

Sometimes her mother drove Cyndi and her sister to Greenwich Village to look at the hippies and the beatniks. Her mother thought they were interesting people.

There was a wild streak in her mother "they" tried to break. By "they" Cyndi means her grandparents and the people in the neighborhood. She remembers most of them as being nice enough, but "they were conservative people." Her mother tried to fit in but couldn't. Her kids were even wilder. "Thank goodness," Cyndi thought, getting thrown out of a high school she didn't like. She looks up with gratitude: "There is a God."

Her mother was raising her two daughters alone, she was poor. The cards were stacked against her, and her Italian immigrant parents were not about to help because — and this is Cyndi's take — they thought that if it got really tough she might get back together with Cyndi's dad.

Her mother took her to every church activity. She liked singing in the choir. She felt safe up there near the paintings of the angels. The images of people burning and suffering were, for some reason she couldn't figure out, lower down. One day her mother said: "Oh Cyn, if only you were born to a rich family. They could afford to train your voice." Her mother was heartbroken. She even sobbed that maybe she should put Cyndi up for adoption by a rich family.

Cyndi hugged her and said: "Ma, you're going a little overboard here."

She wanted to go to Music and Art High School but failed the test. She loved to paint too. All told, she was thrown out of three high schools. She could memorize song lyrics and melodies but had trouble with the three Rs. Now she knows there's a name for it — dyslexic. But at the time she was sure she was just stupid. She finally graduated from the fourth one. Her uncle, who was a designer, suggested she go to a fashion industry school.

Christian Rose
Cyndi Lauper on her promotional dash through Paris.

The naysayers told her mother it would be better for Cynthia to learn a trade than end up a waitress, like her. "My ma was so manipulated," Cyndi reflects. "It was so sad." She learned industrial sewing and then found herself in a shoemaking class. This was really depressing because Cyndi was from Italian stock and she felt like a walking cliché.

Walking down Jamaica Avenue in Queens one day — "I was on drugs, a mess, I hated everything, wanted nothing" — she spotted a sign next to a beautiful painting in a storefront window. It said "art lessons upstairs." She went in, walked up and met Bob Barrell, a painter who lived "between bouts of great work and too much alcohol," who died in relative obscurity — and who changed her life.

He listened to John Coltrane while painting. He told her about Thoreau, Gandhi, Martin Luther King and the Kennedys. She found herself reasoning for herself for the first time. Perhaps she was not stupid after all. Cyndi could not imagine what Bob was doing on Jamaica Avenue but "lucky me."

She went to an art college in Vermont and painted for awhile. The trouble was that at night she would dream she was singing. People were still telling her she had a professional voice. She'd go to her friends' farmhouse in a cow patch and play the guitar and the recorder and sing folk songs with them.

Back in New York, she finally got professional about it. She auditioned and formed bands and worked on Long Island. Performing in Manhattan for the first time, she saw that people at the bar actually stopped drinking and listened to her.

Her first solo album, "She's So Unusual," sold a million copies and produced four hit singles. One of them, "Girls Just Want to Have Fun," became a sort of cult anthem for independent young women. Another, "Time After Time," was recorded by Miles Davis and Cyndi thought that if Miles wanted to play her songs maybe they weren't so bad after all.

When she became famous, kids would come to her mother's door on Halloween night trick or treating disguised as Cyndi.

NOT ON THE MENU

All About Harry's: Back Talk by Cipriani

By Alex Witchel
New York Times Service

NEW YORK — Arrigo Cipriani peers at a customer's plate. "What are you having?" he asks.

"Spaghetti and meatballs," comes the reply, a dish not on the menu at Harry Cipriani, the Manhattan restaurant that is a sister to the famed Harry's Bar in Venice.

Cipriani smiles benignly at the meatballs before returning to his own table. "Incredible," he says. "He saw someone else eating it a few days ago. People always look at other people's tables and want the same thing. In Venice we had a lawyer who would come in always very hungry. The moment he would sit down he wanted something, before he ordered dinner. We would give him anything we had in the kitchen, sometimes a chicken wing from the day before. Then everyone else wanted it, too."

After 45 years in the restaurant business, first at Harry's Bar, co-founded in 1931 by his father, Giuseppe, and its namesake, Harry Pickering, an American, Cipriani knows the value of a satisfied clientele and the tremendous effort needed to keep it that way; in 1950, when a customer was forbidden by her doctor to eat cooked meat, Giuseppe Cipriani went into the kitchen of Harry's Bar, cut raw filet mignon into paper-thin slices and fanned them out on a plate with a mayonnaise sauce. He named it carpaccio after the Renaissance artist's red and white paintings. Talk about service.

Which Cipriani does, at great length in his new book, "Harry's Bar: The Life and Times of the Legendary Venice Landmark" (Arcade).

"I am always trying to make people feel comfortable and important," he says, sipping an espresso at Harry Cipriani, in the Sherry-Netherland Hotel. "Sometimes, in Venice especially, people try to make it difficult. The hardest people I ever had were the Italian aristocrats. They were spoiled. They knew everything about food and service, and they had not much money left." He smiles. "But they were my teachers."

Linda Rosier/The New York Times
Cipriani greeting a customer.

Cipriani, 64, seems genuinely to like Americans, but he does acknowledge that the ugly ones still exist. "If you are extremely kind, you take ground away from them," he says, graciously. "Instead of being tough, you are even kinder."

Certainly, upon entering Harry Cipriani, a customer feels immediately tall. Not only is the welcome warm but the ceiling is low.

Luck, Cipriani says. The space just happened to come that way. And to take the illusion even further, the tables are dime-size, the silverware dessert-size. Nothing upstages the customer, including the owner.

Cipriani, who was trained as a lawyer and holds a black belt in karate, is dressed impeccably in a dark suit, moving among the tables with an unlikely physical grace. When the man eating meatballs motions him to come closer, as if to tell a secret, Cipriani bends forward while leaving a definable space between them. He never gets too close, never speaks too loudly, never stays too long at a table. For all his reputation and the history he carries of Harry's Bar and his father before him, he has an uncanny ability to fold himself up at a moment's notice, becoming gray and silent, barely noticeable, as the parade of stunningly dressed women and their dashing escorts go by.

But there is another side to Arrigo Cipriani, who was born the year after Harry's Bar opened and was named for Harry Pickering. It is the side that does not follow his father's example, does not respect personal space or compliment the waiter on the quality of the espresso. It is the side of him that writes, everything from novels to short stories to newspaper columns to nasty letters to the editor — any editor — about restaurant critics, a group he universally despises. Print is where Cipriani, freed of his ironclad manners, bursts into tantrums of purple and gold.

In 1987, he took out an advertisement in The New York Times addressed "Dear Food Editor," lambasting Bryan Miller, the Times's restaurant critic who had panned Harry Cipriani and Bellini by Cipriani, now closed. After his review of Harry Cipriani, Cipriani refused to serve Miller when he went to review Bellini. Undeterred, Miller wore a disguise and ate there anyway.

Cipriani's latest skirmish came last spring when Gael Greene of New York magazine negatively reviewed Downtown, a restaurant in SoHo owned and operated by Cipriani's son, Giuseppe. She said some of the food tasted "frozen, thawed and rewarmed" and dubbed the hamburger "chewy as bubble gum."

The elder Cipriani retaliated with a letter printed in the magazine saying, in part, "In her case, I think it is possible that she forgot to remove the condom from her tongue before tasting the food."

He shrugs. "In Italy I am known to fight the food critics," he says, his eyes amused. "A restaurant like mine has our own customers. They will always come. So the idea for me is that critics shouldn't talk about it at all."

Greene did not return calls seeking comment.

PEOPLE

AN annual trans-Atlantic contest was settled as a Kansas schoolteacher won the Pancake Day footrace in 58.57 seconds, beating the winner of a similar race held earlier in Britain by almost 5 seconds. **Christina Wilbers's** victory meant that Liberal, Kansas, took the lead in the series with Olney, England, which has held the Shrove Tuesday footrace on and off since 1445. Before Wilbers's victory, the series had been tied at 23 apiece. **Avril Soman**, a housewife, won this year's race in Olney with a time of 63.5 seconds.

□

Councillors in Hong Kong, renowned the world over for its daily clamor, have proposed that spectators wear headphones for two concerts this summer by **Elton John** because of the noise. Concerts at Hong Kong Stadium, where John is to appear, have been halted by the Urban Council because of complaints about noise from neighbors. John was booked for the 40,000-seat stadium on June 28 and June 29, one of many events just before the June 30 handover from British to Chinese sovereignty. Noise has caused controversy since the stadium was opened in March 1994. White gloves were given out to the audience at one show by a local pop star to muffle the sound of the applause. But local inhabitants still complained. Under the councillors' latest proposal, up to 18,000 people sitting toward the back of the stadium would see the pop singer but hear him only through headsets tuned to a simultaneous broadcast on radio.

□

Romania has announced that the former monarch, **King Michael**, will soon have his citizenship restored. His citizenship was stripped by the Communists in 1948.

□

Robert Downey Jr., who spent time in jail and rehabilitation in California for drug abuse last year, is happy to be working again. He showed up at a cast party in New York for the just-finished film "Two Girls and a Guy." "New York has certainly been a welcome change of pace for me," Downey told USA Today. He is next heading to Los Angeles to visit his wife, **Deborah Falconer**, who recently reconciled with him. Then he will go on location in Georgia to make "The Gingerbread Man," which co-stars **Kenneth Branagh**.

□

Fresh from his battle with cancer, the actor **Robert Urich** will return to television this month as host of a new medical series. "Vital Signs," which premieres Feb. 27 on ABC, features doctors and patients in re-enactments of medical crises they have faced. Urich underwent surgery in November for synovial sarcoma, a rare form of cancer that attacks the joints and can spread to the lungs.

Carol Cleaveland/Reuters
SPIKING THE NET — The filmmaker Spike Lee, right, with Rob Glaser, the CEO of Progressive Network, showing one of the three five-minute film shorts that Lee has developed for the Internet.

□

Lawmakers in Richmond, Virginia, tried to recruit the Grammy winner **Bruce Hornsby** to write a new state song to replace "Carry Me Back to Old Virginia." Nothing doing, said the Williamsburg bard. "Why even bother with a state song?" he said. "It's really hard to write a song like that and do it in some artful manner and not make it just trite and maudlin." Hornsby said fans had long asked him to write a song, but he called his regional work "Southern short stories and songs often with a dark twist. That's hardly state song material."

□

A New York judge has dismissed charges that the publicist **Chuck Jones** harassed **Marla Maples Trump** by faxing doctored nude photos of her to the media and to her husband's employees. The court ruled that prosecutors were too slow in making their case against Jones, citing a state law that gave them 90 days. Jones was charged with harassment in October 1995 for faxing the photographs to the Plaza Hotel, where **Donald Trump** has offices. He admitted that he faxed the photos but said he sent them only to people who requested them. Trump said the photo shows somebody else's body with his wife's head superimposed on it. Jones was convicted in February 1994 of burglarizing Marla Trump's apartment and taking 70 pairs of shoes and boots, as well as her intimate apparel.

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